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## **Britain and Denmark Pressed on EC Union**

50/92

Partners, in Edinburgh, Seek Deadline Of Mid-1993 for Ratification of Treaty

By Tom Redburn mational Herald Tribune

No. 34.149

EDINBURGH -- Desperate to rescue the Maastricht treaty, which they adopted with such high hopes only a year ago, a majority of Enropean Community leaders on Friday sought to corner Denmark and Britain into agreeing to ratify the pact by the middle of 1993.

Bot both Copenhagen and London, in a day of sparting back and forth, resisted the pres-

The fresh outbreak of infighting, which threw new complications into the delicate interplay of domestic and Community political forces, was

#### EC ministers trying to produce a growth packare have scant resources to do it with. Page 13.

a poor start to the two-day summit meeting here aimed at restoring momentum to the badly

stalled drive for European integration. Denmark insisted it must gain binding ex-emptions from most provisions of the proposed Treaty on European Union before asking its voters to overturn their earlier rejection. Meanwhile, Foreign Secretary Douglas Hurd of Brit-ain dismissed as "nonsense" demands that London set a formal deadline for ratification.

At the same time, Spain and the three other poorest members of the Community pressed their demands for a significant increase in EC spending within their countries. The proposal of the British president is not

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cnough," ' said Spain's foreign minister, Javier Solana Madariaga. But Britain responded that Spain, Portugal, Greece and Ireland — supported by Jacques Delors, president of the EC Commission —

were seeking funds that "are frankly unafforda-

Under Britain's latest budget blueprint for the Community, total spending in 1999 would be limited to a maximum 1.25 percent of the overall EC economic output. That would fall about \$16 billion short of Mr. Delors's original

To sweeten the pot, Loadon offered Thurs-day night to add more than \$650 million to a special "cohesion" fund for the four poorest members. But Brussels objected that the money would come from raiding the Community's contingency fund and making sharp cuts in trative expenses

odds with Community partners over how to frame an agreement legally specific enough to satisfy Denmark while still remaining vague enough oot to oblige other countries to reapprove the treaty.

If agreement can be reached, Danish officials said, they are prepared to schedule another referendum in either April or May to allow Danes a second chance to approve the treaty. Danes a second chance to approve the treaty. British officials, however, worried about giv-ing anti-Maastricht forces a rallying cry, insist-ed that Prime Minister John Major could not guarantee that the British Parliament would meet any specific schedule. They said only that Mr. Major intended to complete ratification after the Danes and before Parliament closed up show for the year next October

Chancellor Hehmut Kohl of Germany, an ardent supporter of European integration, led the pressure on Denmark and Britain, the two countries that are most skeptical of efforts to cede power to central EC institutions.

"It is not just friendly banter when the government says it wants ratification in all member states to be completed by mid-year," said Diet-er Vogel, Mr. Kohl's chief spokesman, after the opening session of the summit meeting. France, Spain and Portugal, officials said, joined with Germany and several other nations in arguing that the meeting should set a formal

Prime Minister Poul Schlnter of Denmark said in an interview with reporters he was still at

up shop for the year next October.

See EUROPE, Page 6



A Somali militianum watching as U.S. Marines escorted one of the country's principal watlords to talks Friday on a peace accord.

The path toward confrontation is unaccept

able to society." Mr. Stankevich said an acceptable compro-

stalemate between the president and the in-

## 2 Warlords Sign Peace Agreement In Somalia

**Rival Groups to Remove** Weapons From Capital And End All Hostilities

> By William Claiborne and Barton Gellman Washington Post Service

MOGADISHU, Somalia - Somalia's two most powerful warlords, bitter rivals since the overthrow of the dictator Mchanmed Siad Barre early last year, signed a peace agreement Friday aimed at ending two years of anarchy and bloodshed in one of the world's poorest

countries. Following a U.S.-brokered meeting at the unofficial U.S. mission here, General Moham-med Farrah Aidid and Mohammed Ali Mahdi ind the body and Mohammed Ali Mahdi said they had agreed that members of their warring militias would remove all of their weapons from Mogadishn within 48 hours.

The warlords agreed to cease all hostilities immediately, eliminate demarcation lines in the capital separating the rival factions, and end all

negative propaganda about each other. Clan warfare since Mr. Siad Barre's over-throw has killed thousands of people directly from fighting, and has contributed to the deaths of an estimated 300,000 more from starvatioo and disease.

The agreement stipulates that all militiamen and their machinegun-mounted vehicles will withdraw from the city to uospecified assembly points at a time to be determined by a Joint Committee on Reconciliation.

But it was oot clear from a communique issued by the two warlords after a meeting with the special U.S. envoy, Robert B. Oakley, what the gunmen would do with their weapons other than move them beyond the city limits.

[The unsettled situation in Somalia forced the U.S. military on Friday to cancel plans to escort a relief coovoy across the "green line" separating the two warlords' turf, The Associated Press reported from Mogadishu. The Penta-gon said that U.S. proops had been fired on in two separate incidents but had suffered no

[A convoy to Baidoa, about 200 kilometers (125 miles) northwest of the capital, had been scheduled to go Saturday, but was postponed

by at least a week. [The flow of relief supplies by air into Moga-dishu, however, appeared to be picking up, with planes landing frequently. An additional 350 U.S. Marines arrived, raising the U.S.-led force to about 2,000. About 35,000 troops are expected, of which 28,000 will be American, with the rest coming from France and about 10 other countries.

General Aidid and Mr. Ali Mahdi did not answer reporters' questions after the meeting at an oil company guest house that has been turned into a temporary and unofficial U.S. Embassy. The two leaders praised the intervention of the international community in Somalia's long nightmare of chaos and lawlessness, and said they were grateful for the presence of U.S. military forces, which staged an amphibious landing oo Wednesday. U.S. military and diplomatic representatives

By Elaine Sciolino New York Times Service WASHINGTON - President-elect Bill linton called Friday for the enforcement of the United Nations ban of Serbian flights over Bosnia, perhaps with air strikes, breaking his stated refusal to criticize President George Bush's foreign policy and signaling a more activist approach toward the war in Yugoslavia.

**Clinton Asks Enforcement** 

The announcement, made during a news conference in Little Rock to introduce new mem-

Anything the United States could to "turn up the heat and reduce the carnage," he said, is "just fine." (NATO's leader said the alliance

Macedonia to keep the fighting in the former Yugoslavia from spreading to that republic, Agence France-Presse reported in New York.] Clinton's state what he said during a news conference Tuesday when be expressed sympathy for Mr. Bush's reluctance to commit American forces to a ground war, but added "there may be other things which can be done." Mr. Clinton declined to be more specific. During the presidential campaign, Mr. Clin-ton argued that the United States should take the lead in secking UN authorization for air strikes to protect the relief effort to Bosnia and should consider whether to push for a lifting of the UN arms embargo that hurts the Bosnians. But until Friday, both external and internal factors constrained him from outlining his solutions for any of the international crises he will inherit Mr. Clinton has said politchy that he will not compete with Mr. Bush's foreign policy during the transition period. He has also been determined to remain focused on the economy, but has acknowledged — with more than a bint of frustration — that he will have to spend more time on foreign affairs than he wants to. Finally, he has yet to put his foreign policy team in place.

**Of Ban on Serbian Flights** American "commitment from the air" but no troops on the ground.

was ready to intervene, if asked, Page 5.) [The UN Security Council agreed Friday to send 700 peacekeepers and 35 observers to

bers of his cabinet, followed an intensive review of the Balkan situation by Mr. Clinton's foreign policy advisers. They have argued privately for days that because of the inaction of the Bush administration and mounting Serbian aggression, Mr. Clinton could not wait for Inauguration Day, Jan. 20, to announce his position.

"I have been in favor of enforcement of the so-fly zone for some time," Mr. Chinton said, adding that enforcement would involve an

### **Reich Gets Labor Post**

President-elect Bill Clinton has named Robert B. Reich, a Harvard lecturer and an architect of his campaign's economic platform, as his labor secretary, and Donna E. Shalala, chancellor at the University of Wisconsin, as secretary of health and human services.

Carol Browner, the senior environmental official in Florida, will head the Environmental Protection Agency, and Laura D'Andrea Tyson, of the University of California, the White House Council of Economic Advisers. Page 2.

## Yeltsin and Foes Warily Seek an Accord

By Fred Hiatt and Margaret Shapiro

Washington Four Service MOSCOW -- President Boris N. Yeltsin and his conservative adversaries met Friday to seek a resolution to the political and constitutional crisis threatening Russia's young democracy and its economic reforms.

The meetings, including an hourlong night session between Mr. Yeltsin and his chief adversary, the parliamentary speaker Ruslan L. Khasbulatov, produced nothing more concrete than an agreement to continue negotiations on a more substantive level Saturday.

While the talks took place, the conservative Congress of People's Deputies continued to meet in an atmosphere of confusion, anger and recrimination that foretold no easy solution.

recrimination that foretold no easy solution. But Yeltsin advisers and legislators alike agreed that both sides were seeking a way to

step back from the brink on which they had ing to the future of the 1,041 deputies now found themselves Thursday.

mg to the future of the 1,041 deputies now meeting in the Kremlin. Mr. Yeltsin repeated his determination to keep Yegor T. Gaidar, architect of Russia's radical free-market program, in the post of prime minister. Mr. Gaidar, a bightning rod for criticism from conservative deputies, has been acting prime minister for the last six months. But the president did not ple our dismission "We're much closer to compromise this afternoon than we were yesterday morning," said Sergei B. Stankevich, a Yeltsin adviser, on Fri-"Both sides have made compromises," said Yevgeni Ambartsumov, chairman of the For-eign Alfairs Committee and a critic of Mr. But the president did not rule out dismissing other equally maligned liberals from his cabi-Yelisin's allegedly too pro-U.S. foreign policy.

net, according to those who met with him. Angered by a recent series of legislative re-buffs, Mr. Yeltsin threw the nation's politics into turmoil Thursday by demanding a January mise might call for a national referendum, as referendum to see whom voters trusted more, Mr. Yeltsin demanded Thursday, to end the himself or the Congress. If he lost, he would resign, he said, but if the Congress lost, there would be new elections to the legislature in creasingly assertive Congress, which is domi-nated by former Communists cager to slow March

A referendum is essential because the Con-See YELTSIN, Page 6

missed to opportunity to treat General Aidid and Mr. Ali Mahdi with public respect. The two warlords were cloaked by their American interlocutors in the mantle of legitimate power.

"By to means are we coming in here and spoiling for a fight with one of the factions," said Colonel Fred Peck of the Marines, who is a spokesman for the joint military task force.

"We do cooperate with the clans." he added. but prefer "to work out accommodations rather than confrontations."

Colonel Peck placed the stamp of official policy, for example, on a Marine lieutenant's lecision Thursday to withdraw a squad of infantry that stumbled upon an arms cache be-

See SOMALIA, Page 2

## American Stocks Ring Out Year on a Quiet High Note

### By Kenneth N. Gilpin

New York Times Service NEW YORK - It has happened quietly, without the flash and drama that made Wall Street what it was in the 1980s. But over the course of the last three months, major stockprice measures have moved to record highs.

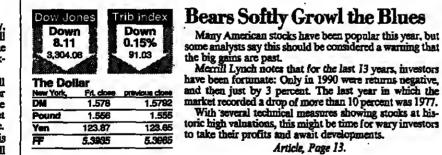
The relative lack of attention to the latest bull market may be because of the relatively poor performance of the 30 issues that make up the most widely watched index of stock market performance, the Dow Jones industrial average.

At 3,304,08 on Friday afternoon, the Dow is up more than 4 percent this year but still well below the record 3,413.21 it reached June 1.

Similarly, the North America component of the International Herald Tribune World Stock Index, comprising 20 top stocks, has been rising steadily since October, but it has not regained the year's high, 100.73, that it reached in Au-gust. On Friday, the component ended at 97.83, compared with the 100 at which it was set to start the year.

Broader, more representative indexes, such

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as the Standard & Poor's index of 500 stocks and the Nasdaq composite index of over-thecounter issues, are near their all-time highs. The current rally, which began in early October, has confounded some of Wall Street's professionals.

But it is a run-up that has been sparked and sustained by growing optimism about the U.S.

economy, which is seen as improving, by inflation, which is not viewed as a threat, and by the potential of the incoming administration in Washington. It has been fed by a steady flow of new money, much of it invested by mutual funds. Much of that, in turn, has been moving into small stocks.

"The run has surprised us," said David Shul-

nan, chief equity strategist at Salomon Brothers Inc. "But we doo't see any argument that says the market is cheap. That makes us cau-tious. But we were cautious when the S&P 500 index was at 400 back in early October."

Just below its record 436.99 set Monday and up 4.0 percent for the year. The Nasdaq index of over-the-counter stocks, generally smaller is-sues than those in the S&P gauge, was 655.79 late Friday, just below its record 667.12, also set Monday and up 18 percent for the very Monday, and up 11.8 percent for the year.

Perhaps the most important reason to explain why the rise in stock prices has gone largely unnoticed is that small investors, not big money managers, are fueling it.

"What has made it difficult for interpreters of this bull market is that it is a different marginal buyer that is moving into stocks," said Laszlo Binnyi, who heads Birinyi & Associates, a research concern. "For years and years the public sold stocks. Now they are coming back." According to data compiled by Mr. Birinyi,

## 'People Power' in Japan: Now, the Politicos Want In

#### By T.R. Reid Washington Post Service

TOKYO - The country is a highly industrialized democracy called "The United States," with a federal system of government in which a pro-business Republican Party and a pro-labor Democratic Party fight it out in national elections to elect the commander in chief every four years.

All of which sounds pretty familiar, except that the country is actually Japan, or at least, the country Japan could become if the current

fever for political reformation here really takes TOOL.

With the economy in the pits and the govermnent snarled in seemingly cudless scandal, all the major political parties and a host of research organizations and citizens movements are announcing plans these days to revamp Japanese politics, at the same time business leaders here are debating a major restructuring of industry.

The formation on Friday of a faction within the dominant Liberal Democratic Party makes

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reform a stronger possibility now than ever, and a new burst of "people power" in politics

is also serving as a lever for change. The drive for political change got a big push last month when the United States, which is still Japan's chief role model, elected a youth-ful new president who constantly talked of "change." Now the sirwayes are full of demands for chain-jee, as the Japanese pronounce "change."

Some of the proposals come from professors and analysts who have nothing to lose if the political world turns upside down. But this

L,

time, some powerful politicians, invoking President-elect Bill Clinton, are also calling for sweeping change.

Friday morning, two influential figures in the conservative Liberal Democratic Party ----Tsutomu Hata, the finance minister, and Ichiro Ozawa, a man almost everybody expects to be prime minister some day - an-nounced that they had quit the biggest of the Liberal Democrats' several factions and formed a new one.

About 40 Liberal Democrats, mostly young See CHAIN-JEE, Page 2

Algiers with her child Friday, the 32d anniversary of rioting touched off by President Charles de Gaulle's visit to Algeria during the war for indepen-dence. The capital is under curlew.

As the holiday shopping season gets under way in the United States, a bemused retailer

### **Fundamentalist** Chief Is Arrested in Cairo

Kiosk

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CA1RO (AFP) - Egyptian secority forces arrested the leader of Muslim fundamentalists in the Cairo neighborhood of Imbaba late Friday, hours after a police officer died of wounds suffered during a sweep of the fundamentalist stronghold, Interior Ministry sources said.

The fundamentalist leader, Gaber Ahmad Mohammed Ali, known by neighborhood residents as Sheikh Gaber, was arrested in a house where he was hiding as the police continued their largest-ever roundup of ex-tremists in the capital for the fourth day.

Eighteen other fundamentalists wanted as terrorists have been arrested since Thursday night, including nine picked up in Imbaba with nine bombs, the sources said.

Earlier Friday, a police officer died after being wounded in a firebombing during the extensive operation to track down the fundamentalists, the police said. The officer, Sobhi Ali Ibrahim, and a colleague were wounded when four men attacked their car in Imbaba on Wednesday.

The police have arrested 593 people since Monday in the operation to flush extremists from the Imbaba orighborhood.

#### **General News**

The death toll h India climbed over 1,100 as the religious upheaval continued. Page 6."

#### **Business / Finance**

Klöckner-Werke of	Germany faces a steel
crisis.	Page 13.
Thailand will sharply	increase spending on
its provinces.	Page 17.

Page 20. Page 20.

Crossword likens it to a "wounded clephant." Page 10. Weather

ittat Senes/Agence Pre

Money Report

ON ALERT - A woman strolling in

A State State

See BULLS, Page 15

# On Friday, the S&P index ended at 433.73,

day.

## **Reich to Be Labor Secretary, and 3 Women Get Top Posts**

#### Compiled by Our Staff From Dispatches

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LITTLE ROCK, Arkansas - President-elect Bill Clinton announced new top-level appointments on Friday, naming Robert B. Reich of Harvard as his labor secretary and Donna E. Shalala, chancellor at the University of Wisconsin, as secretary of health and human services.

Mr. Clinton also appointed Carol Browner, the setuor environmental official in Florida, to direct the system. Environmental Protection Agency, and Laura D'Andrea Tyson, an economist at the University of California, to head the White House Council of Economic Advisers, the first woman to fill the job.

The president-elect said he chose people who would bring "energy, dynamism and fresh thinking" in his administration.

Mr. Reich, 46, whom Mr. Clinton called nne of his "most trusted advisers and closest friends," was a key architect of the Arkansas governor's economic plat-

form during the presidential campaign. "Bill Clinton is dedicated to ensuring that the American work force is second tn none, and 1 am proud to be part of his team." Mr. Reich said.

He is a prolific author on glubal economic issues and has argued that a nation's work force is the only essential ingredient for a growing economy that cannot move across national borders and therefore should receive far greater attention than at present.

Mr. Clinton said that Ms. Shalala, 51, had an "astonishing natural leadership ability" which she would apply in overhauling the U.S. health care

An Ohin native and former Peace Corps volunteer in Iran, she holds a doctorate in political science from Syracuse University. During the Carter administration, she served as assistant secretary fur policy development and research in the Department of Housing and Urban Development. After Mr. Carter's defeat in 1980, she became president of Hunter College in New York City. She became chancellor at Wisconcin in

1988. Ms. Shalala has served on the board of the Children's Defense Fund since 1980. Hillary Rodham Clinton, Mr. Clinton's wife, has been board chairman of the fund as well and is a close friend. Ms. Browner, a protégé af Vice President-elect Al

Gore, has been head of the Florida Department of Environmental Regulation since January 1991. She countries which, she says, already do the same thing. turns 37 on Wednesday. She was previnusly Mr. Gore's legislative director and counsel to the Senate Committee on Energy and Natural Resources.

Her Florida roots are deep. She was born in Miami and holds bachelor's and law degrees from the University of Florida. Before joining Mr. Gore's staff, she was senior legislative aide to then-Senator Lawton Chiles. Mr. Chiles is now governor of Florida.

Ms. Browner also spent three years as associate director of Citizen Action, a liberal grass-roots lobby that has focused on environment, health and campaign finance issues. She was also a committee counsel for the Flurida House of Representatives.

The one surprise in the new batch was the appointment of Professor Tyson, 45. Unlike almost all of her predecessors, she is neither a star of the economics profession nor an expert in overall macroeconomic management

Her speciality is trade and technology. She has argued that the U.S. government should he a "cautious activist" in fostering high technology industries and

The front-runner for the job, Lawrence H. Summers, was vetoed by environmentalists on the staff of Mr. Gore because of a paper he wrote as chief economist for the World Bank arguing that economic development in Third World countries should stress growth rather than environmental preservation. Mr. Summers, who is on leave from Harvard University, has n long history of advising Democratic candidates and served nn the Clinton transition team with Mr. Reich.

All four of the nominees are vocal activists in their specialties. And in placing a senior economic adviser in the labor post, Mr. Clinton signaled that that department, which will he called on to carry out many of the president-elect's education and training ideas, would enjoy a much higher profile than in the Reagan-Bush years.

The labor and health and buman services jobs are cabinet posts; Mr. Clinton has not yet raised the EPA post to cabinet level, a step favored by Mr. Gore and environmentalists.

(IHT, AP, AFP)

### WORLD BRIEFS

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### **Beijing Vows to Work With Clinton**

BEIJING (UPI) - Prime Minister Li Peng has pledged thm China will work with the incoming administration of President-elect Bill Clinton to nprove relations with the United States, official press reported Friday, Mr. Li made the commitment during a meeting Thursday with a former U.S. secretary of state, Henry A. Kissinger, who was here for talks with Chinese afficials. Mr. Kissinger met Friday with Deputy Prime Minister Zhu Rangji.

The Xinhua press agency reported that Mr. Li told Mr. Kissinger of China's willingness "in develop its cooperative relations of equality and mutual benefit with the incoming administration of the United States on the basis of the three Chinese-U.S. joint communiques."

#### China Shuts Pro-Democracy Journal

BELJING (AFP) --- China has shut a magazine that published the first calls for greater democracy since the 1989 Tiananmen Square protests, sources said Friday.

Future and Development, an official bimonthly, was ordered in halt all operations last week after carrying an article by a human rights activist, Xu Liangying, a close friend of the exiled astrophysicist and dissident Fang Lizhi.

The article compared China's leaders to Hitler, while an equally hardhitting commentary by a dissident legal scholar, Yu Haocheng, warned that the Communist Party's power would be threatened unless it democratized. Both activisis rejected the argument, advocated by Deng Xiao-ping, the senior leader, that economic reform could proceed without democracy. Observers said the ban on the magazine illustrated the party's refusal in consider political liberalizations.

### **French Socialists Back Fabius Trial**

PARIS (Reuters) — The governing Socialist Party said Friday that in wanted its leader. Laurent Fahius, to stand trial over the infection of hemophiliass in transfusions tainted with the AIDS virus, saying such a

trial would give bim a chance to clear his name. The Socialist chief whip in the National Assembly, Jean Auroux, said a trial would allow Mr. Fabius to rid himself of accusations that he had failed to act decisively to stop the contamination in 1985, when he was prime minister. It was the first time the Socialists had advocated putting

Mr. Fabius on trial. The Senate voted Thursday to hring two former cabinet members. Georgina Dufoix, who was social affairs minister, and Edmond Herve. who was secretary nf state for health, before a parliamentary High Coun. But it rejected a rightist proposal to indict Mr. Fabius, now the Socialist Party's first secretary and a possible future presidential candidate.

### **Oil Pumped From Disabled Tanker**

LA CORUNA, Spain (AP) — Salvage workers on Friday began pumping out the millions of gallons of oil remaining in the tanks of the Greek tanker that ran aground last week and caused one of the higgest oil

workers were pumping oil from tanks in ship's stern that sits about 260 meters from the partly submerged bow. Bad weather bas hampered attempts to inspect the bow, which is believed to hold most of the crude still on the ship.

The environmental group Greenpeace estimated Friday that 200 kilo-meters (125 miles) of Spain's northwestern coastline was affected by the spill. The slick is estimated to cover about 145 square kilometers (58 square miles]. About 23 kilometers of beach have been stained by the oil

advocating freedom of expression has reported.

number was the highest far one year since 1934, when figures were first kept. Mr. Sussman said 53 of the journalists had been murdered in retaliation for their work.

### Maghreb Union to Back Libya at UN

RABAT. Marocco (Reuters) - Libya and four other North African states will appeal to the UN Security Council In lift sanctinns imposed on Tripoli over its failure to hand over suspects in bomb attacks on Western

The Union, said the organization would "appeal in the Security Council to revise its resolutions with a view to lifting the embargo and restrictions." The meeting of ministers fram Algeria, Libya, Mauritania, Morocco and Tunisia was called at Tripoli's request following a decision on Wednesday by the Security Conneil to maintain the sanctions, which include a ban on arms imports and international air traffic to Lihya.

CHAIN-JEE: Calls for Change

(Continued from page 1)

and reform-minded, are expected to jnint the new group.

This could be just one more routine political reshuffle. But the new faction, called Reform Forum 21, could also signal a serious effort to split the dominant party in two and restructure the political system. If. as some expect. Mr. Hata and Mr. Ozawa eventually do create a new party, Japan could be on the brink of serious change.

There has been little change in postwar Japan's political system. There are four significant parties and a few minor ones represented in the Diet, or parliament. But Japan is the world's only remaining example of a one-party democracy.

Partly because the opposition parties are uniformly weak, and partly because voters tend to trust the party that oversaw the postwar economic "miracle," the Liberal Democratic Party has formed every government and elected every prime minister since it was created in 1955

The Liberal Democratic Party wnn again in elections this summer for the upper house of the Diet.

Since then, though, the public's anger over the party's latest illegal payoff scandal, coupled with the general sense of discomfort hrought nn by the burst of the "bubble" economy, has sparked strong grass-runts pressure for change

"There's something completely new going on in Japanese politics," observed the NTV News anchur Yoshikn Sakurai, "It's called 'people power.

The intensity of "people power" can be seen at the Takyn offices af a political arganization that started late last month by the management consultant Kenichi Ohmae. Every day crowds of hnusewives show up to volunteer their time answering

calls from citizens who want to sign id. In the first two weeks of its existence, the group signed up mure than 10,000 members, each paying the equivalent of \$80 in ducs. Mr. Ohmae's is nne of the most zer, a recoilless rifle, two heavy machine guns, two anti-aircraft ambitious of the current reform drives, as reflected in his group's guns and nearly 200,000 rounds of boxed 7.62 mm ammunidon, all name: the Heisei Reformation. Heisei is the name of the current within a block of the U.S. Embassy era in Japanese history: reforma-tinn was the word used to describe gaic. storage areas for weapons belong-ing in that faction." Colonel Peck one of the most pervasive changes in Japanese history, when the coun-

democracy a century ago. Mr. Ohmae is even proposing a new constitution for Japan. The current constitution was written by Americans and imposed by fiat during the post-World War II oc-

try went from feudalism to modern

cupation, but it is such a cherished document that not a syllable has been changed or added in 45 years. Mr. Ohmae and others propose to gut the powerful central govern-ment in Tokyo. The Heisei Reformation wants a federal system with

stronger local control. Advocates, such as the prefectural governor Morihiko Hiramatsu, talk of creating a new country called "the United States of Japan."

Morihiro Hosokawa, a former rising star within the Liberal Democrati Party who quit the party in disgust, this year founded the Ja-pan New Party, proposing the same kind of decentralization. Mr. Hosokawa's party, which also advocated tighter controls on political campaign money, won a surprising four seats in the Diet in its maiden campaign this summer.

Other groups want change focusing more on the political system.

national elections to choose the prime minister. Currently, the head government is chosen in a elosed-donr meeting by a few Lib-eral Democratic officials, with virtually no popular input.

A group of moderate junior members of the Socialist Party, calling themselves the New Wave, is advocating a restructuring of the Socialists and other oppositinn parties in produce what there has never been in postwar Japan: a

viable alternative to the Liberal Democratic Party.

(Continued from page 1) Innging to Osman Atn. an ally of General Aidid.

A proposal put forth by a coali-tion of Liberal Democratic mem-bers of the Diet calls for regular

General Mohammed Farrah Aidid, left, talking with the other major warlord who was been vying for control of Somalia, Mohammed Ali Mahdi, after signing the peace accord on Friday in the capital.

SOMALIA: Two Warlords Sign Peace Accord Aimed at Ending Anarchy

### Disclosures Mar Japan's Reshuffle

By David E. Sanger

New York Tunes Service TOKYO — Struggling to quash a scandal that is threatening his tenure in office. Prime Minister Kiichi Miyazawa replaced a number of key cabinet members and top officials of the governing party Friday, but quickly found his effort overshadowed hy damaging new

turn attention away from an influthe faction of Prime Minister Noboru Takeshita and intervened on its behalf with the mob. But he

net members were being selected, one of Mr. Kanemaru's top political aides was called to testify in the parliament about the influencepeddling scandal, and provided some remarkable insights into the process of paying off Japanese pol-

The aide, Masahisa Haibara, described how he had to roll a large

The money had come from the trucking company executive, but Mr. Haibara refused to name the 60 politicians to whom he reportedly distributed the funds, all facing lough re-election campaigns. He told the committee that he handled. so much cash that he was forced to pile up bags at it in a corner of his office because "we could not fit it

into an ordinary safe." Mr. Miyazawa himself has not been implicated in the scandal. But he has done so little to condemn the participants or their actions. Prime Minister Miyazawa, while eager to form a new cabinet, did not seem interested in hringing in

revelations. Mr. Miyazawa's hope in chang-ing the cabinet was clearly to try to ence-peddling scandal, in which a leading trucking company execu-tive funneled millions of dollars to

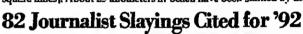
picked the wrong day. Friday morning, as the new cabi-

iticians.

pushcart into an underground ga-rage two years ago in order to move \$4 million in illegal cash back to Mr. Kanemaru's office.

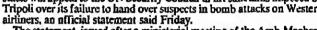
spills nf recent years.

An explosion split the vessel, the Aegean Sea, in two after it ran aground in foul weather while trying to enter this northwestern port nn Dec. 3 carrying 550,000 barrels of crude oil. Government officials said



WASHINGTON (AP) — A record \$2 journalists have been killed this year worldwide, 27 of them in the republics of former Yugoslavia, a group Leonard R. Sussman, senior scholar at Freedom House, said the

According to Freedom House, a New York-based private organization that promotes free speech and a free press, 12 were slain in Turkey. 10 by Peruvian guerrillas, 1 in the United States and the rest in 18 other countries. The dead were not listed by nationality.



The Marines bad found a bowit-"That apparently is one of the

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said. He said it was not the U.S. "We are not going out in police up all of Mogadishu," be said. "We are trying in ensure the safe deliv-ery of food."

Planners focused on laying the logistical foundation for the entry of fallow-on troops. They landed seven planeloads of airfield and

seven planetorius of anticid and cargo handling equipment, along with two passenger planes full of troops to run the facilities. Unable to find a qualified pilot

ploeg, did the piloting himself past the wreckage of an old freighter and over the sandbars. A cement pier cut a deep gash above Lum-mus's waterline, but the ship began tn unload its 740 vehicles and more

than 400,000 cubie feet (12,000 cubie meters) of dry cargo. The ruined port already has two huge, half-packed warehouses full

of donated sorghum, wheat, corn, rice and beans, Since the Marines displaced 900 of General Aidid's gunmen there, they have fought a

battle against pilferage. The port will need a lot of work. Heavy equipment operators began

The Associated Press

**Train Kills 7 Workers** In Hamburg Suburb

BAD OLDESLOE, Germany (AP) — An express train plowed into a group nf railroad track work-ZDF television. Earlier. France chided Germany

ers in this Hamburg suburb, killing for not taking part in UN military seven and seriously injuring one, missions on constitutional grounds

officials said Friday. The Copenhagen-Hamburg Eurocity train was traveling at about 135 kilometers an hour (85 miles an hour) when the accident occurred late Thursday night, Federal Rail-way officials said.

to bring the buge supply ship Lum-mus into Mogadishu's perilous har-bor, the skipper, Harold Vander-uid coils of rotten rope and rusting cable, plastic sbeeting and decomposing scraps into a pile.

> Bonn Vows Technical Aid Germany is set to send "immediate help" to rebuild Somalia's shattered infrastructure, but will not provide troops for the UN peace mission, news agencies reported from Bonn.

Chancellery Minister Friedrich Böhl said the first phase of techni-cal assistance would aim at building roads and laying water pipe-lines and electricity cables, with the belp of German military engineers. It would he followed later by help to restore local agriculture and

rebuild the police force, he said. Defense Minister Valker Rühe expressed frustration with constitions tutional restrictions on German

troops joining the relief mission. "The Somalis simply cannot wait for a decision of the federal constitutional court," Mr. Rühe said on

A French Foreign Ministry spokesman told a German newspaper that such major, developed natinns as Germany had a "moral duty" to help end clan warfare and tamine in Somalia.

fresh new faces. In the key position of secretary general of the party, which has ruled Japan for 35 years, he placed Seiroku Kajiyama, a man who gained some notoriety abroad two years ago when as minister of jus-tice he participated in a police roundup of foreign-born prostitutes and compared them to American hlacks who move into white neighborhoods and "min the atmo-

sphere." But Mr. Kajiyama is a skilled political operative, and he was given credit for carefully managing the parliamentary testimony in the recent scandals, assuring there were no major new revela-

The foreign minister, Michio Watanabe, will stay in his post and continue as deputy foreign minis-ter. Yoshiro Hayashi, an ally of Mr. Miyazawa's, will take up the finance portfulin. Mayumi Moriyama, a 65-year-old woman who was named the chief cabinet secre-

tary several years ago, becomes the education minister. The new chief cabinet secretary, Yohei Kono, whn also acts as the government's chief spokesman, left the party in the 1970s to protest the Lockheed scandal, but later returned to the

### For the Record

The Irish Republican Army said Friday that it carried out two bomh attacks in north London this week in which 11 people were wounded. The hlasts Wednesday and Thursday damaged stores and a railroad station, but both areas had been evacuated after phone warnings. The victims, including four policemen, were hruised and cut by flying glass. (Reuters)

Canada will withdraw from Cyprus, Ottawa announced Friday, after a 28-year peacekeeping mission on the divided island. It said it would pull out its 575 troops next year because of commitments clsewhere and lack nf progress in Greek-Turkish negotiations. The move would leave fewer than 1,000 UN peacekeeping troops on Cyprus. (Reuters)

### TRAVEL UPDATE

Medium-haul flights ou Air France Tuesday are likely to be trimmed by 50 percent because of a scheduled strike by flight and ground crews new proposed job cuts, management said Friday. The 24-hour strike will affect both Air France and its affiliate, UTA, but long-baul flights should remain an on schedule.

Hungary will ban heavy-truck traffic on weekends and holidays starting early next year. The Transportation Ministry said the move was designed to ease congestion, to protect the environment and to keep Hungary from becoming a magnet for heavy vehicles that are banned during those periods from roads in Austria and Czechoslovakia, (Reuters)

France has imposed a speed limit of 50 kiln meters per hour (30 miles per hour) when visibility is less than 50 meters (165 feet). Spaced white striping is being painted on French roadways to help drivers realize when visibility is below the minimum. (AP)

Hanoi Opens Best Kept-Secret to Tourists Winds and Rain **Hinder Transport** 

#### By Philip Shenon Vers York Times Service

TAN BIEN, Vietnam - Deep in the steamy. malarial jungles of southwestern Vietnam, an army nl teenage laborers too young to remem-ber the Vietnam War are redigging collapsed dirt tunnels and rebuilding the bamboo huts in which Communist insurgents noce planned the overthrow of the South Vietnamese government and the humiliation of its U.S. backers.

If there was an enemy outpost that U.S. military commanders most wanted to find and destroy during the war, this was it: the secret headquarters of the South Vietnamese Commnnists - the Vietcong - and a major terminus of the North Vietnamese supply lice known as the Ho Chi Minh Trail.

But while U.S. bombers came close, they failed to destroy what a generating of acronymloving Pentagon planners knew hest as COSVN. Today, the legendary garrison known as the Central Office for South Vietnam is being restored and converted into a government war museum.

In a demonstration of how much the situation has changed in Vietnam since the war, the museum will

be dedicated more to commerce than to communism. The Vietnamese government, which has

come to understand the value of hard-currency tourism, intends to charge a visitor's fee and to turn a profit from the museum, which will be a day trip from the ald southern capital af Sai-

gon, nr Ho Chi Minh City, about 120 kilometers (75 miles) southeast.

The entrance fee bas not yet been determined, but whatever it is, we think visitors from nll over the world, including America, will want in come see this place," said Captain Nguyen Tan Khanh, a border policeman who is the local military commander. "This will always be a place of victory, a symbol far all Victnameso to be proud of."

In the minds of many American command ers, the garrison was imagined to be a sort of mini-Pentagon, with its own vast bureaucracy that worked in elaborate, heavily fortified war rooms where the guerrilla war in the south was planned in collaboration with the North Vietnamese Army.

If the restored structures look anything like the originals, the base was only a few small, open-air huts with packed-dirt floors that were connected to one another by several hundred meters of cramped underground tunnels. The tunnels were made narrow to prevent bigframed American soldiers from squeezing through

"The tunnels were meant to protect our lead-ers from the bomb blasts." Captain Khanh said. "The Americans did try to find this place." He pointed to a weed-covered fish pond, perhaps eight meters wide and a stone's throw from several huts, that was created from the erater of a U.S. bomh dropped here in the late 1960s,

One hut served as the Vietcong's central command room and it was said to have been said Captain Khanh, "then or now."

furnished during the war with only a single long wooden table. The Vietnamese discarded the historic table years ago. Said Captain Khanh; "It was in bad condition and useless."

The location is a densely wooded area in the that propelled heavy rain brought Vietnamese province of Tay Ninh, about 3 New York City's transportation network in near-collapse on Fricilometers from Cambodia, a site that allowed day. the Victoong leaders to flee across the border to relative safety when American forces approached.

virtually shut down the subway system for part of the day, as well as Captain Khanh, who serves as the museum's unofficial historian, said the Vietcong used the commuter trains running beneath the Hudson River from New Jercompound from the mid-1960s to 1969, when they moved the base in Cambodia to escape U.S. bombing. In 1972, they returned and resey, and delayed service to other suburbs. mained until the fall of Saigon three years later, he said.

"It was a very secret place," said Truong Quang Son, a provincial official in Tay Ninh who served with the Vietcong during the war. We knew the headquarters were in the province, but we did not know exactly where. There were only a few local guides who knew the way through the jungle to here."

Many Vietcong leaders now serve in senior posts in the central Vietnamese government, including Prime Minister Vo Van Kiet. The hut gional nirports, including facilities that served as his home and office here has been in Newark, Philadelphia and Bosrebuilt, and Mr. Kiet has visited several times ton, had delays and canceled and told young soldiers of the hardships of the flights. That affected connections war years. with airports across the nation.

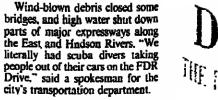
"This was not a comfortable place to be," Governor Mario M. Cuomo of New York declared an emergency

In New York City

The Associated Press

NEW YORK - Fierce winds

Flooding and power problems



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LaGuardia Airport shut down amid winds gusting to 77 miles per hour (124 kilometers per hour). Re-

TRANSITION / BREAKING THE DEADLOCK

### ★ POLITICAL NOTES★

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#### **Clinton Wants to Know More About Irag Loan**

WASHINGTON --- President-elect Bill Clinton said that despite a Bush administration investigation that found no criminal wrongdoing in a bank fraud case involving foans to Iraq, he still believed that there was more to be discovered about what happened.

Mr. Clinton said that after he took office he would consult with his attorney general to decide whether to ask the courts to name an independent prosecutor to examine allegations that Bush administration officials covered up efforts to help Iraq build up its military in the years before the invasion of Knwait.

Asked at a news conference in Little Rock, Arkansas, about the Bush administration's decision not to seek an independent prosecutor in the case, Mr. Clinton replied: "I certainly think we need to know more about it than we now know. What I intend to do is to appoint an attorney general and get a recommendation on it."

The Clinton comments came a day after a special counsel appoint-ed by the Justice Department concluded there was no criminal wrongdoing. The special counsel, Frederick B. Lacey, a retired federal judge, scornfully dismissed accusations by critics in Congress and elsewhere that officials may have stiffed criminal investigations of loans made to Iraq by the Atlanta branch of an Italian bank, Banca Nazionale dei Lavoro.

But rather than lay to rest the issue of whether Bush administration officials engaged in wrongdoing in the case. Mr. Lacey's report appears to have spurred fresh suspicions

Attorney General William P. Barr, who is opposed to the independent counsel system, rejected another call for an outside inquiry, this one from Republicans on the Senate Judiciary Committee who wanted a court-appointed prosecutor to investigate Lawrence E. Walsh, the Iran-contra independent counsel. (NYT)

#### After Bentsen, the Deluge? Texans Worry

WASHINGTON - The last time a Democratic U.S. senator from Texas resigned in midterm, the result for Democrats was "an absolutely unmitigated disaster," recalled the state party chairman, Robert Slagle.

That was in 1961, when Lyndon B. Johnson left the Senate be had long ruled to become vice president, touching off fratricidal warfare in his home state party and leading to the election of a Republican, John G. Tower, who then held the seat for more than 20 years.

Democrais hope the party will be more unified in the competition to replace Senator Lloyd Bentsen, whom Mr. Clinton named as Treasury secretary. That belief was expressed both by Mr. Bentsen and by Mr. Clinton, who in announcing the selection acknowledged that he had weighed the party's concerns in Texas but had still found Mr. Bentsen "the best choice for the post."

Meanwhile, however, Republicans consider the Bentsen nomination a double-barreled boon. Not only does it give them a chance to take over a Democratic Senate seat in the special election expected to be held next spring, but the veteran senator's departure also means that the Democrats will be without their top vote-getter in the 1994 (LAT)

#### Quote/Unquote:

Kevin Phillips, Republican political analyst, on Mr. Clinton's economic team: "Clinton is having it both ways ideologically. This is a broadly acceptable group." (WP)

#### **Away From Politics**

• The marketing of a hemophilia drug made in the laboratory instead of being extracted from human blood has been approved by the Food and Drug Administration, its manufacturer, Baxter Healthcare Corp. of Glendale, California, announced.

· Overwhelming evidence that industrial pollutants are responsible for the hole in Earth's protective ozone layer above Antarctica has been provided by a National Acronautics and Space Administration satellite, scientists said.

• A Catholic priest was sentenced to six mooths in jail for violating a Cambridge, Massachusetts, court order barring blockades of abortion clinics.

· Findings in an investigation of Woody Allen may be submitted for review soon to a Connecticut state prosecutor, the authorities said. The state police are investigating charges that Mr. Allen molested his 7-year-old d

By David E. Rosenbaum New York Times Service

WASHINGTON - President-elect Bill Clinton chose his economic team less to develop policy than to enact it.

Like few others in public life, Senator Lloyd Bentsen, Democrat of Texas, and Representative Leon E. Panetta, Democrat of California, have mastered tax and budget questions. The high regard in which they are held by their peers in Congress should prove invaluable to Mr. Clinton, who appears determined to break the deadlock between the White House and Congress

Their intelligence and political skill aside, neither Mr. Bentsen nor Mr. Panetta has concentrated on developing views

21st century. Similarly, Robert E. Rubin, the invest-

NEWS ANALYSIS

#### House, is said to be a smart and efficient manager, but is not known as someone who offers new ideas about the economy.

Mr. Clinton apparently felt he did not

need philosophers right away, but sought the special talent of two accomplished poli-ticians and a highly successful Wall Street investor to win approval of the painful measures necessary to lower the budget

deficit The president-elect has already formu-

about preparing for the economy of the lated a detailed plan involving higher taxes Roger Altman, a New York investment Clinton is not completely committed to class, an investment tax credit for business office. That does not leave much room for a deputy Treasury secretary. while for further policy development.

Mr. Clinton almost said as much. He chose Mr. Bentsen to be Treasury secretary, he explained, because of the senator's "stature, dignity and respect." He said he had picked Mr. Panetta to be hudget director to win "swift and effective implementation of our economic plan." By selecting them for the two top eco-

**Clinton Economic Squad: Policy Movers Rather Than Shapers** 

on the wealthy, a tax cut for the middle banker, to other important positions - reducing the deficit. Mr. Clinton turned to the center of the But his announcement will do little to ment banker who is to become the chief and new spending on public works proj- economic and political spectrum. Mrs. reassure critics who hoped Mr. Clinton economics coordinator inside the White economics coordinator inside the White through Congress in his first 100 days in White House, and Mr. Altman is to be Street for his economic advice. White House, and Mr. Altman is to be Street for his economic advice.

> important at a time when economists and as the chairman of the Senate Finance politicians on the left and the right are Committee that he is almost certain to asserting that the budget deficit is of sec- restore to the Treasury the influence the ondary importance, and when the number department had when John B. Connally at the center willing to advocate the hitter was secretary in the Nixon administration medicine needed to lower the deficit seems and when James A. Baker 3d held the post to be shrinking.

The new lineup of economic advisers Mr. Clinton made it clear at his news along with Alice M. Rivlin, former director may dispel the notion held in some circles conference that Mr. Bentsen would be his of the Congressional Budget Office, and in Washington and on Wall Street that Mr. chief lieutenant on economic matters.

Page 3

Mr. Bentsen has such stature as his par-The choice of these centrists could be ty's vice-presidential nominee in 1988 and in Ronald Reagan's second term.

## **Recession and Fear Chip at America's Immigrant 'Mosaic'**

By Deborah Sontag New York Times Service

NEW YORK - Across America, immigrants say they are feeling the brunt of a growing and complex hostility, the same kind of antagonism that has cropped up periodically in U.S. history.

As their numbers increase sharply and the recession lingers, immigrants find themselves the target of a mix of social anxieties: economic tension, free-floating anger seeking an outlet, and the volatile ethnic discord plaguing many cities. Be-cause most new immigrants are not white, there are racial overtones to the friction.

Even in New York, which proudly defines itself as a haven for immigrants, the "gorgeous mosaic" of diverse populations, as Mayor Da-vid N. Dinkins calls it, has its chips. Some New Yorkers, particularly those down on their luck, seem to resent the presence of so many im-migrants, as if the "American dream" were in danger of becoming the exclusive province of newcomers.

"Unfortunately, immigrantbashing is no longer an unpopular activity," said Dennis deLeon, the city's human rights commissioner, "I sense that immigrants are being scapegoated for a lot of our probems. A certain kind of xenophobic

bigotry has come out of the closet."

Most advocates for immigrants stress, however, that the United States remains markedly tolerant compared with those West European nations now grappling with surging hostility and violence to-ward foreigners. While they ac-knowledge that the historically ex-

the

Nicholas L. King, 68, Journalist, Dies

New York Times Service 1963 to 1969 and then held the NEW YORK - Nicholas L. same position as spokesman for the U.S. Mission to the United Nations King, 68, the managing director of federaf government's New when it was led by George Bush. York Foreign Press Center since In the following years, he worked because you came to this country 1981, died Wednesday, apparently as a free-lance journalist, and was a and everything was given you for

has generated frictions, immigra

plosive mix of record numbers of reported to the authorities, immiimmigrants and a weak economy grants and their advocates say. Rosa Perales, an immigrant from Mexico who sells flowers at an intion experts do not anticipate a

tersection in the Bronx, said drivers return to the vehement nativism that followed World War L, or the routinely spit at her and tell her to return to her country, Sarah Benyaminova, a Russian refugee, said the antagonism she encountered while waiting in line at a bank in Queens recently was typical.

"I was staying in the line and we had some brief discussion about the candidate who became president," said Ms. Benyaminova, who runs the Russian Educational Bilingual and Cultural Association. "The lady who was standing behind me said, 'You better shut up

friend who said he was followed off a New York City bus recently by teenagers who pulled off his turban and set it on fire. But he did not call the police because he was new to

that they would be unreceptive. Many advocates for immigrants

ter and as immigration soared. This year as many as 1 million

metropolitan area. Nationally, the the National Immigration, Refugee majority of them come from Mexiand Citizenship Forum.

co and Asian countries: in New York, the majority hail from the Caribbean and Laim America. "It is not a coincidence that as the immigrant pool has darkened,

hostility has grown," said Rolando T. Acosta, New York City's first deputy commissioner of human ights.

Across the country, there are a few extreme examples of anti-im-migrant hostility. In Houston, two skinheads stomped a Vietnamese boy. Hung Truong. 15, to death in late 1990. One of the assailants convicted of involuntary manslaughter while his partner was convicted of murder - testified that the dying boy had cried out; "God forgive me for coming to this country. I'm so sorry."

But some experts wonder whether the current problem is being exaggerated, whether some advocates for immigrants, shaken by the events in Germany and the nativist oratory of some U.S. political candidates, have become hypersensi-tive to prejudicial slights that have always existed.

Still, in the last year and a half, political candidates, lobbyists, academics and writers who oppose current levels of immigration have capitalized on the frustration of some Americans.

"It was more a climate of hostility that was being created," said headed by Abu Nidal, were ex-Frank Sharry, executive director of pelled Friday, the service said.

## Dining,

AMSTERDAM PARIS 5th LE JARDIN DE LA MOUFF HAESJE CLAES Take your time and appreciate your food! Main course is served with Brel and Trenet-songs performed by the owner, (Menus at 108 + $F \cdot 138 F \cdot 198 F)$  75, rue Moutletond. Tol. (1) Real Durch Cooking, Open from kunch until michight, Spuistroot 275, melnight, Spuistreat 275, Telu 624 99 98, Reservations reas All major credit cards. 47 07 19 29. PARIS 6th **Restourant LAXENOXEN** YUGARAJ Daily fresh solmon and prime beef in the next of Amsterdam of SAS 802(AL HOTEL

two politicians, Patrick J. Buchanan and David Duke, made nativism a key element of their campaigns, with a particular concern that new immigrants would "dilute," as Mr. Buchanan said, the country's European character. This summer, a magazine article raised

questions about the value of immigrants to American society, The articles not only explored the idea of restricting immigration but of placing a moratorium on new immigrants.

The riots in Los Angeles and Washington Heights, during which immigrants were denounced for inciting violence, provided further fodder for such antagonism. Advocates for immigrants steeled themselves for a public battle during the fall presidential race.

But after the party conventions. even after the Republican Party plank called for "a barrier" - a wall or trench - along the border with Mexico, the issue faded.

STOCKHOLM - Two Palestinians suspected by the Swedish intelligence service to be members of the Fatah Revolutionary Council,

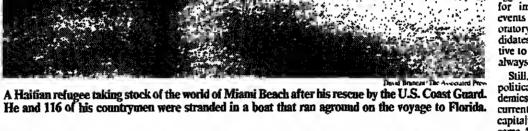
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ethnic or racial hatred is a hlurry Further, most immigrants, and particularly illegal immigrants, do not make official complaints, For example, M.K. Srinivasan, New York bureau chief for The Indian-American Magazine, told of a Sikh

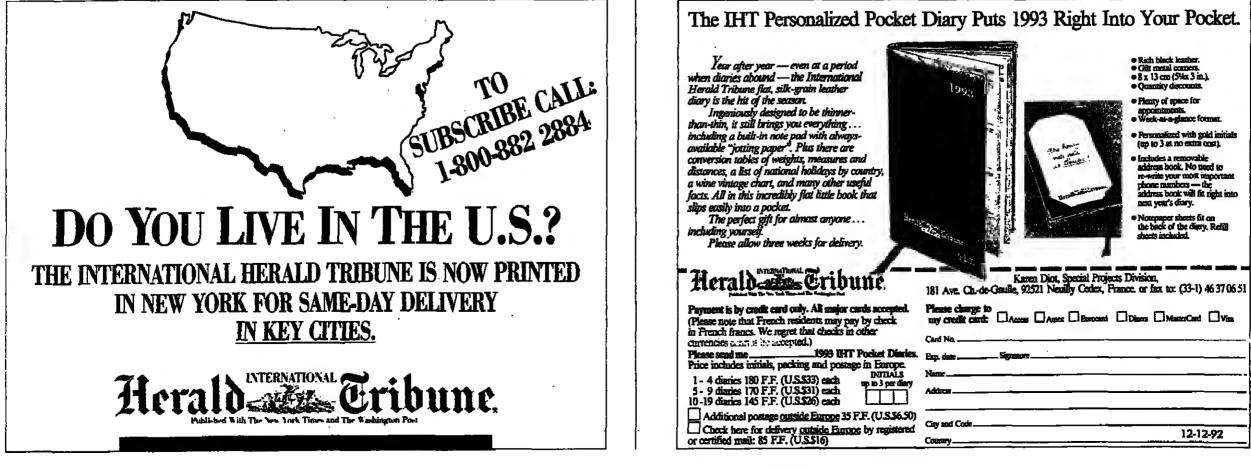
the country from India and feared

believe that resentment toward immigrants huilt gradually in the late 1980s as the economy began to fal-





<ul> <li>Seven million workers would be subject to on-the-job breat for alcohol under proposed Transportation Department reptiat would also expand existing drug tests to include masworkers.</li> <li>Los Angeles teachers voted overwhelmingly to reject a contendation a 12 percent pay cut and to go on strike Feb. 22, the announced. Los Angeles is the nation's second largest school AP. 1</li> </ul>	gulations is transit Harvard College, worked as a for- cign correspondent for United press International in London and he union Paris and then joined The New	frequent contributor to the Op-Ec page of The Baltimore Sun, until the Reagan administration ap- pointed him to head the informa- tion center. The center is run for foreign journalists hy the U.S. In- formation Agency. Mr. King, who was a descendant of Peter Stryvesant, wrote "George Bush: A Biography" in 1980.	<ol> <li>ing very hard from dawn to dawn.</li> <li>Could you point me out where i could get all this free lunch? "         ft is difficult to quantify anti- immigrant sentiment. New York City police statistics on hias com- plaints do not have a separate cate-     </li> </ol>	new refugees and immorants will enter the United States. If patterns from the 1980s hold, about 15 per- cent will settle in the New York RINCE DE GALLES		by the localing guides (air conditionand), L4, true     Dauphine, TJ, 43,26,44,91,     PARIS 7th     THOUMIEUX     Specialities of the South-West, Confit de contract,     Air conditioned, Open everydoy, 79 rue     Sr. Openinque, Tels (1) 47 05 49 75, Neore     Innolides Terminal     PARIS 15th     LE TOIT DE PARIS
AMERICAN TOPPICS Taking the Trauma Out of Report Cards Despite changes in educational methods, report cards are much the same as ever. Educators see them as necessary evils. Increas- ingly, though, some schools are trying new ways of communicat- ing with parents that can enhance learning. In Attleboro, Massachusetts, report cards now include a warn- ing to parents not to let their frustration over grades turn into violence, The New York Times	cport cards her confer- based conclusions about, or result in negative actions, especially physical, on the learner." Short Takes shools, says bools, says shoot, says bools, says shoot, says bools, says shoot, says shoot, says bools, says bools, says assessment nd less like arterly re- crimenting s, compare s, compare s, compare gattindes, discussions tation. stal part of n a decade from more than 75 percent to about 60 percent. "It used to be," recalled Michael L.	excribitant amounts for watered- down drinks in private clnbs. Now, there are real restaurants serving real drinks, a variety of night life, the symphony, ballet, ski resorts." Hunter S. Thompson, the self- styled gonzo journalist who has been covering presidential cam- paigns for 20 years, is writing a new book about Bill Clinton's successful run, "Better Than Sex: Fear and Loathing on the Cam- paign Trail 1992." Mr. Thomp- son, 54, who admits to being high- ly partisan, says that he was planning to move to Paraguay if	"It's a weird little place," he said. "It's about as far away as any- thing you can imagine. Old Nazis go there. It's 50, maybe 100 years behind everything." Shopping Hints: Two hardware companies in the Los Angeles area have set up hridal registries for the hride-to-be who gets dewy-cyed not over silverware but over power drills, hedge trim- mers or a set of gleaming new trash cans. • Tenzing & Pema in New York, which styles itself "The New Gift Store for Older Children." offers a four-foot, two- inch (1.28-meter) inflatable doll of the angst-ridden subject of the Norwegian artist Edvard Munch's painting, "The Scream." Arthur Higbee	As ITT Branch Langer Herry Celebrate CHRISTMAS and welcome THE NEW YEAR in a festive atmosphere. Please call us and use will gladly provide you with information on: Christmas Dinner and package' 1845 FF for a single room ind taxes and service New Year's Eve Dinner Dance and package '2645 FF for a single room ind taxes and service Special New Year's Brunch 250 FF pe person ind taxes and service ' This includes one night accommodation at the Prince de Galles 33, ave. George-V 75008 Paris. Tel: 1/47 23 55 11 Fax: 1/47 20 96 92	CLISINE NATURELLE" Golden Tuip Barbizon Poloce. Pris Hendhäude 5972 AD Tel.; + 31205566 564 - Fax: 3120-6243 353. NEUHLY-SUR-SEINE POC LY Orinese Resource. New dates and new menus for lanch netucling one seconocologi med. Durng week and chickers' menu from 75 Frs. 79, one. Oxories de Gaulie, Newity. T_L [1] 4724-336 - 71, one. do Stiften, Paris 7th. T_1(1] 4723-2712, near do Stiften, Paris PARIS Tel CARR'S ALBERGE Francti and instracolong, Brunch Sounday and Sunday 65 F., drinis not included. 1, nu du Mont Thatar. Tel.; 4260-6028.	Darce Parties overy Soturday right starting of 8 p.m. with gostronomic soo- food buffer and five music of Le Tot de Paris on the 10th floor of the hatel foo- turing a splordd view of the city and the Eifel Tower. FF 350 nd. buffer and dancing. Paris Hilton 18, av. Suffren 11: 42739200. PARIS 177th CHEZ FRED Lyannas bistra, matikanel Franch cooking, daily dishes. 190 bs, bid Person. Tel: 4574 20 48. ROME DA MEO PATACCA Instavete. Rost. famous for fun food, music & foldor. 00158 Room, France de Mercons 30. Tel: 405474 2048. Instavete. Rost. famous for fun food, music & foldor. 00158 Room, France of Mercons 30. Tel: 005816198, 5972193. Face 582552. VIENNA KERVANSARAY Turkish & Infl speceties. labeer bor, best seefood restaurant, 1st floor. Mathetistr. 9. Tel: \$728963. Av. conditioned. 80 m. Opera. Noon-3 p.m. & d p.m1 a.m., except Sunday. Open holdays.



#### SATURDAY-SUNDAY, DECEMBER 12-13, 1992

## **OPINION**



## **Still Under Construction**

took place Sunday, when Hindu extremists entering its gravest crisis since todependence. There was a long run-up to the explosion at Ayodhya, which provoked a reaction there and elsewhere to India, and beyond that took hundreds, perhaps thousands of lives. In its wake a country constitutionally devoted to secularism oow comes under perhaps unbearable religious and communal strains.

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It is tempting to attribute these troubles either to traditional, self-driven cultural "forces" or to the sort of ethnic passions that have become global common coin to the few years since the Cold War ended. But this is to misread the responsibility of the political leadership for this particular deadly sequence. The national government of Prime Minister P. V. Narasimha Rao must accept its share of blame for allowing this dispute to flower. A much larger share must

, Huge, mixed, democratic India lives with be pot on the rightist Bharatiya Janata a level of civic disorder that would sink Party, which saw to the destruction of the many other states. But the explosion that Ayodhya mosque and to the immediate and provocative construction of a makeshift destroyed a four-century-old Muslim Hindn temple in its place. In this party's mosque, has stirred fears that the country is shameless and cynical exploitation of religious tensions for political gain hes the chief source of India's latest turn.

India's 120 million Muslims make up one-eighth of the population. They have yet to find a full economic or political place to the country, but Hindu militants have still succeeded in mobilizing much popular resentment against them. Since last Sunday, Prime Minister Rao has moved vigorously to take the immediate situatioo in hand. Bot the larger task is for India's democracy to

find in itself a capacity to widen social opportunity and enforce the rule of law. Feonomic growth would ease the tension but tolerance must be pursued in many ways. Secularism was the basis on which mostly Hindu India set out at independence to build a democracy. The effort has never been more essential.

- THE WASHINGTON POST.

### Little Light on Iraqgate

Could William Barr, the U.S. attorney Congress - and if so, whether the derelicgeneral, be trusted to produce a credible examination of his own administration's months ago when be appointed Frederick Lacey, a former federal judge, to conduct an ostensibly independent investigation. Mr. Lacey has now issued his report, and the answer is worse than no-

Not only is Mr. Lacey incredible. He, and his sponsor, seem far more interested in finding scapegoats than in finding facts. Far from allaying public doubts about Bush ministration improprieties, this squalid exercise inflames them.

Mr. Lacey heatedly denounces Democrats and the news medis for making too much of this case. That does not cover the gaps in his investigation. Yet he supports Mr. Barr's refusal to seek a truly independent counsel. And Mr. Barr persists in defending a straw man - supposed attacks on the Justice Department's "dedicated professionals" --- when the real criticism is of the way he has dealt with the scandal,

An impartial toquiry might have calmed suspicion about backdoor aid to Saddam Hussein. This one leaves large questions wide open. For instance, was so-called agricultural assistance to Iraq willfully allowed to become military aid at a time that President George Bush was appeasing Saddam? One way to find out would be to determine whether a mid-level Commerce Department official intentionally falsified ship-ment records submitted to an inquiring

tion reached higher. Without embarrassment, Mr. Lacey adpossibly criminal aid to Iraq before the mits that he does not even know the where-Gulf War? That did not seem likely two abouts of that Commerce official, let alone acknowledge a duty to learn whether higher officials are implicated.

He does a somewhat better joh of countering suspicions of an indictment that spared the Banca Nazionale del Lavoro, Italy's largest bank and the source of bil-lions in illicit loans to Iraq. The failure to indict the bank seemed suspicious; how could bank officers not know about such transactions? It turns out there were strong, apparently principled differences between Washington and federal prosecutors in Atlanta. They concluded that the bank had

been victimized by a branch manager. Still, there were other peculiar-looking irregularities - like phone calls from the White House to Atlanta inquiring about the bank tovestigation's progress. Mr. Lacey, a tough-minded former prosecutor, suddenly finds himself saying that if meddling offi-cials say they had no intention of obstruct-

ing justice, why, he has to believe them. It is no crime for apparent conflicts of interest to arise to government. There can be honest explanations for activities that make reasonable observers doubt the Justice Department's impartiality. But it is a sin to try hiding such apparent conflicts to billows of bombast. Mr. Barr would have served justice by clearing the Lavoro cloud over the Bush record. Instead, he has darkened it. - THE NEW YORK TIMES.

## **Making Schools Work**

How productive are American schools? wants to examine education, from kindergar-The assumption is, not very. Most students ten through high school, in the way others are not learning what they need to know to might examine a steel mill. What are the coter a global, competitive work force. By outputs per unit of input? What knowledge the common measurements - dropout rates, and skills are students acquiring for the time standardized test scores and international and expenditures of teachers and adminiscomparisons - U.S. teenagers are lagging. Precollegiate education in the United trators? Precollegiate education in the United States is a \$325 billion "industry," and yet its output is disappointing. The past decade's reforms, including the allocation of more money, have helped those at the bottom of the American Federation of Teachers and former Governor Richard Riley, whose suc-cess with education reform in South Carolina the curve hut have not done much to imputs him in the current political limelight. prove student achievement overall. Part of the reason for the interest is that no If this were a manufacturing concern, one knows how education's components would it still be in business? Of course, really fit together. There are great gaps in students are not widgets and schools are not lactorics - though the analogy is an old and ernmental or other support for education convenient one. At the turn of the century, research. educators borrowed from industry to create It is only recently, at the urging of busithe "factory-model" schools that still exist. But the search for the "one best system," as that researchers have begun to "follow the money," for instance. Are education's the managerial theorist Frederick Winslow problems the result of too few funds or the poor use of resources or both? At the mo-Taylor put it, continues. Now a group of educators, economists and ment, too many people with varying political business people intend to push the manufac-turing analogy further. The Consortium on perts say could be derived empirically. That, Productivity in the Schools, affiliated with Columbia University's Teachers College, — THE WASHINGTON PO -THE WASHINGTON POST.

The Man Is No Nibbler

Cut out the Big Macs and fries. Hire a from the crowd, this will not be a take-one-

## India in the Plural: Save This Ethos From the Dividers

N EW YORK - Next week our 8-year-old twin sons are traveling home with us to India.

It is an India they have always identified with, though they have grown up elsewhere. Ask them what they are and they will tell you they are Indian Not "Findu," not "Malayali," not "Nair," not "Calcuttan," though they could claim all those labels too. Just Indian.

Yet they are traveling back to visit an India to which that answer no longer scems adequate. A mosque has been destroyed, a trust betrayed and the flames of communal frenzy hlaze again across the land. Men are being slaughtered because of the mark on a forehead or the absence of a foreskin.

This is not the India my wife and I want our sons to inherit.

Our sense of nationhood lies to a simple insight: The singular thing about India is that you can speak of it only in the plural. There is no one standard, only countless variants.

This pluralism is made inevitable by India's geography and realfirmed by its histo-ry. There is too much of both to permit a single, exclusionist nationalism. We were brought up to take this for granted and to reject the sectarianism that had partitioned the nation when the British left. I was reared unaware of the religious loyalties of my schoolmates and friends. Knowledge of such

#### By Shashi Tharoor

details came to time but principally as a vindication — at my college, for instance, half the presidents of the student body were non-Hindus. In these things, religion was not allowed to matter. Secularism was the defining element of nationalist consensus.

To be sure, calling itself secular did not make the land of the guru and the fakir irreligious. Quite the contrary. Western dictionaries defined "secularism" as the absence of religion, but Indian secularism meant a profusion of religions, none of them privileged. The wail of the muezzin calling the Muslim

faithful to prayer blended with the chant of the mantras at the Hindu temple and the loudspeakers outside the Sikh gurudwaras crackling with recitations from the Granth Sahib. Religion was part of the texture of life, even for the gion was part of the texture of the even for the ungodly — which is why Calcutta's Commu-nists celebrate the annual Pujas, or holy week, in veneration of the goddess Durga. But religion too was part of the pervasive pluralism. Like many English-speaking Indi-ans, I was educated at Christian missionary schools but zeothert of mere imaginable faith

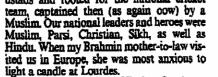
schools by teachers of every imaginable faith (and sometimes none at all). We saw movies with Muslim stars, listened

to ancient Hindu ragas played by Muslim

#### ustads and rooted for the national cricket team, captained then (as again cow) by a Muslim. Our national leaders and heroes were Muslim, Parsi, Christian, Sikh, as well as Hindu. When my Brahmin mother-to-law visited us in Europe, she was most anxious to

My parents are devout Hindus. Our home fading photographs of departed ancestors.

worship and assaulting Muslims in its name is



always had a prayer room where portraits of various divinities jostled for wall space with Every morning, after his bath, my father would stand in front of the prayer room wrapped to his towel, his wet hair still uncombed, and chant his Sanskrit mantras. But he never obliged me to join him. In the Indian

way, I was to find my own truth. And so the India I want to give my sons imposes no pressure to conform: India is less a melting pot than a smorgasbord. Though our diversity contains the potential for discord, we believe instinctively that conflict is best pre-

beneve instinctively that conflict is best pre-vented by respecting differences. After all, Hinduism is the only major religion that does not claim to be the only true religion. So it pains me to read of "Hindn funda-mentalism," when Hinduism is a religion without compulsory fundamentals. That dev-otees of this faith are descerating a place of morphin and arguiting Muslims in the name is

a source of sorrow and shame. India has

survived the Aryans, the Moguls, the British; it has taken from each — language, art, food, learning — and outlasted them all. But today's politics of deprivation has

eroded the culture's confidence. Hindu chauvinism has emerged from the competition for resources in a contentious democracy. Politicians mobilize voters hy appealing to narrow identities: religion, caste, region.

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indians have been made more conscious than ever of what divides them. It has become more important to be a Muslim, a tribal or a "backward caste" than to be an Indian.

The central challenge of India is to accommodate the aspirations of its different groups. The secular ethos - flexible, eclectic, absorptive — helped India meet this challenge.

I grieve that today this ethos is nuder threat. The mobs want revenge against history, hut they do not realize that history is its own revenge

The raging battle is for Iodia's soul. For my sons, the only possible idea of India is the one their parents grew up with, that of a nation greater than the sum of its parts. That is the only India that will allow them to continue to call themselves Indians

The writer is author of "The Great Indian Novel" and "Show Business." He contributed this comment to The New York Times.

Somalia, Yes, Bosnia, No:

**The Crucial Distinction** 

**By Charles Krauthammer** 

### **This Despot** Deserves **No Niceties By Anthony Lewis**

WASHINGTON - The world's diplomats have tried for months to end Serbian aggression to Bosnia by talking with Serbia's presi-dent, Slobodan Milosevic, Such distinguished figures as Cyrus Vance, Lord Carrington and Lord Owen have been involved. Cease-fires and other steps toward peace have been repeatedly promised — and forgotten.

Mr. Milosevic has used all the diplo-matic attention to gain legitimacy for himself at home. The United Nations and others must stop trying to wheedle him and instead condemn his government unequivocally as a genocidal threat to peace.

Those are the views of Milan Kucan, president of Slovenia, another re-public of what was Yugoslavia. He was visited last week hy Franklin Lindsay, an American businessman and former intelligence officer who late to World War II led the U.S. military mission to the Yugoslav Partisans fighting Hitler.

Mr. Knocan, as Mr. Lindsay reports, believes that most Serbs oppose the Milosevie polic of killing and expel-ling non-Serbs to Bosnia. But he says that Mr. Milosevic has been able to hunt that opposition by noting that the UN and Western countries contin-

ue to recognize and deal with him. The UN embargo on arms ship-ments to the former Yugoslavia, Mr.



isolate and condemn the Milosevic

government, it could help the chal-

lenger, Mr. Panic. The moves would have to be careful, lest Mr. Milosovic

UN representatives and various

national diplomats who have been

dealing with the Bosnian tragedy seem to be giving up on diplomacy. The commander of UN peacekeep-

ing forces in Sarajevo, Brigadier Gen-eral Hussein Abdel Rezek, said that his mission had failed and that only

outside intervention could stop th

Serbian aggression. Mr. Vance told the Bush administration that it was time for the UN to consider new

military action. The UN Security

denounce imperialist interference.

Council said that renewed Serbian attacks throughout Bosnia threatened "international peace and security," a phrase that opens the way to intervention under the UN Charter. But Mr. Kucan says world political action - emphatic isolation of the aggressors — should come first. Mr. Kncan drew a parallel to the West's appearament of Hitler. If we continue to appear indifferent to what Serbia is doing to Bosnia, he said, that would leave a scar on our moral conscience. In essence he was telling us what Douglas Phillips Miller did 50 years ago in the book he catitled "You Can't Do Business With Hitler."

### soldiers must enunciate some logie beynod instinct for risking those lives in a situation that does not remotely engage the national interest. Why Somalia and not Bosma? One wit put it this way: We don't do mountains. Principle 1 of humanitarian intervention is; It must be doable. Bosnia is not doable. The mountainous terrain, the heavily armed fac-tions, the history of prolonged guer-rilla war — all promise not just large losses hut military failure.

The great insister on doability is Colin Powell, chairman of the Joint Chiefs of Staff. Reflecting the views be has established the Powell Doc-trine: America will totervene only if it can win decisively and with minimal losses through the totroduction of overwhelming force. How do yon know to advance where

administration.

the introduction of overwhelming force will bring decisive victory with minimal losses? History offers a useful

WASHINGTON - Why Soma-lia and not Bosnia? The ques-Americans on even the most justified tion is important because unless it is intervention. The only interventionist answered Somalia risks becoming eiconsensus sustainable in the United ther a dangerous precedent or just a farewell fit of conscience by a dying States over the long run is one founded on the Powell doability principle. Yet intervention must be not only It is true, but insufficient, to say doahle but worth doing. National inthat television pictures of starving terest is one justification for armed Somalis summon an instinctive desire totervention. Is humanitarianism? At to do something. A government that is not reckless with the lives of its what point does a violation of humanitarian norms become so extraordinary as to justify, indeed morally compel, military intervention? At the point of genocide, All such distinctions must be somewhat arbitrary, but since lines must be drawn

like Vietnam to sour a generation of

we might as well make them bright. Hence, Principle 2 of humanitarian totervention: Only the ultimate crime justifies the ultimate sanction (military intervention). Lesser crimes have a claim on our

sympathies but not our soldiers.

To satisfy the claims of morality and prudence,

draw the line at genocide.

There are people being massacred in civil wars in Liberta. Mozambique and Bosnia. We outsiders feel some guilt about not intervening, hut we understand that if we intervene every

Bosnia looms somewhat larger on

the moral scale because of an attempt

not extermination. Most obviously, it is at least in principle reversible. The Volga Germans and the Cri-mean Tatars expelled by Stalin have

since been allowed to return to their

homelands. That is not the case for

the 15 million Germans expelled from Poland and Czechoslovakia af-

ter World War II, hut even they have

survived. Indeed, they are better off than many of the countrymen they left behind the Iron Curtain.

barbaric. It is systematic land-grab-bing, But it is not genocide. What is at stake in Somalia, on the other hand, is

the physical survival of a people. The point is not intent. Serbian marauders may have more murder in

their hearts than Somali gangsters whose chief interests are money and

power. But the Somalis have infinite-

y more blood on their hands. Geno-

cide may not be the intent of those

"Ethnic cleansing" is brutal, indeed

The New York Times. A Lovely Dawn, a Long Day

### Kucan adds, is also used politically by Mr. Milosevic, Because it applies to all sides, not just to the Serbian aggressors, he argues that the world puts responsibility equally on Serbs, Croats and Muslims. And the totali-tarian controls imposed by Mr. Milo-

tarian controls imposed by Mr. Milo-sevie keep Serbs largely ignorant of the outside world's revulsion at Serbi-an "ethnic cleansing" in Bosnia. The next move, therefore, should be for the UN, the European Com-munity and the United States to iso-bate Mr. Milorenia and of the location late Mr. Milosevic: cut off diplomatic relations with his government, brand it as the aggressor and condemn its murderous actions in Bosnia. In short, treat the Milosevic regime as an international pariah.

Mr. Kucan's view is timely because a presidential election is scheduled in Serbia on Dec. 20. And the republic's Supreme Court has just cleared the way for the prime minister, Milan Panic, to run against Mr. Milosevic. Mr. Panic, a naturalized Ameri-

can, opposes the Milosevic war on Bosnia. As a newcomer he has only a modest hope of victory. But Serbi-ans opposed to their country's hloody behavior - those who President Kucan believes are the majority - have a chance to express their views at the polls. Or at least they will if Mr. Milosevie allows an honest election to occur.

If the outside world followed Mr. Kucan's view and moved swiftly to

### **By Willet Weeks**

The writer is director of Save the Children's programs in the Horn of Africa.

MOGADISHU, Somalia - To the thousands of Somalis who had, as I had, been staring skyward from rooftops and gardens for hours Wednesday morning, the spectral silhouette of a helicopter rising was the first visual evidence of a change in their lives, a change whose nature and scope they and we could only begin to grasp. Those of us who have raged and despaired over the past year as this country has relentlessly consumed itself should be clated. We are, after

all, seeing a commitment of human and material resources on a scale and a nature without precedent in the annals of humanitarian assistance.

a nature without precedent in the annais of humanitarian assistance. But as I spoke by satellite to callers in the United States, following the arrival of the U.S.-United Nations force, I felt increasingly frustrated. They seemed to share the overwhelming impression that the unopposed landing had already solved Somalia's problems. "When are the convoys going to go through" they asked. But getting a few food convoys compenses is only a small beginning.

Someplace is only a small beginning. The necessary objective is a secure and sustainable system of relief distribution and development — a far more complex and difficult task. We also need to create jobs for now unemployed gunmen, and others; revitalize agriculture to end dependence on outside food; and establish

revnanze agneuiture to end dependence on outside food; and establish primary health-care programs to reduce preventable deaths. All this will require the restoration of legitimate and competent govern-ment. And the energies of the Somalis themselves — including many of the young gunmen — must be channeled to benefit the common good. As I write, another volley of shots has been fired. As usual in Mogadishu, it's hard to tell who was shooting, or why. America is now ricking the lives of its young acardian and investories in

America is now risking the lives of its young people — and investing its treasure — to end this madness. Happily, the beginning of this process was, for the most part, brilliant.

But no one should confuse the beginning with the long, hard and complex journey that will lead us to the real end: one that will ensure that children can live healthy, secure lives, and grow to an adulthood in which the creative energies of the Somali nation can flourish.

International Herald Tribune.

ule of thumb; where your opponent is isolated. An opponent with no patron or sanctuary cannot stand up to the exhaust ourselves. workd's superpower and is unlikely to inflict much injury. Consider America's recent wars. by some factions (the Serbs and Croats) to take territory by force and expulsion. The taking is cruel, often murderous. Nonetheless, expulsion is

Vietnam was not isolated. China and Russia provided it with endless supplies and implicit sanctuary. Because of the threat of great power retaliation over Vietnam — say, Chinese intervention as in Korea, or Soviet pressure at flash points elsewhere the United States was reluctant to "go to the source," to unleash its full power on Hanoi. Iraq, on the other band, was isolated. The Gulf War could thus begin at the source and be won at the source with massive acrial destruction of Baghdad and its mili-

tary machine. The isolation rule applies not just to wars but to police actions. Isolated guerrilla fighters are the most easily overcome. Hence the distinction between Somalia and Bosnia. In Somalia the men with gans are scattered gangs. There is no national power behind them to coordinate strategy, organize supplies or provide sanctu-ary. In Bosnia, on the other hand, intervention would be facing Serbian guerrillas armed, equipped and pro-tected by a real country with a real

stealing food from the mouths of starving millions, but it is the effect. army and a huge arsenal. The Powell Doctrine may err too One murder is a crime. A million murders is a crime against humanity. Genocide is the end not just of life much on the side of prudence, But it but of history, memory, posterity. Why Somalia and not Bosnia? The takes only one great national disaster

suffering in Bosnia is heartrending, but so is the suffering in Liberia. Will America intervene there? Unless it is prepared for endless wars of altruism it will have to draw a line. Drawing the line at genocide satisfies the claims of morality and of prudence. The United States will not stand by if author procles is drive and there is a

another people is dying and there is a way to save it. This may not be the loftiest principle of humanitarian intervention, but it is better than the rest.

Washington Post Writers Group.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Soup and Anarchy

and every American should express

print similar lists." Mr. Redfield, Scoretary of Commerce: "The Herald is PARIS - Five to six hundred of the performing a tremendous national serpoor and destitute attended the An-archists' soup lecture yesterday [Dec. vice by printing the names of aliens in New York City. By means of the lists 11]. They were scated five at a table and each had a copy of an anarchist enemy aliens become known to their paper. They did oot pay much atten-tion to the literature, however, but asked for soup, and the honorary distributors had the greatest difficul-

neighbors and all true American are put on their gnard." 1942: U.S. Bombs Naples LONDON - From our New York

edition:] American bombers based in the Middle East inflicted great dam-age on Naples yesterday [Dec. 12] while Royal Air Force raiders struck at Turin and other widely spread Al-lied air fleets scored against Axis transports at the Tunisian ports of Axis entry and at the army of Field Marshal Erwin Rommel, huddlei beyond Aghelia, in Libya. The Italian high command admitted today that tigh command admitted today una the damage was great to the raid on shipping at Naples, where the first American attack, made two days ago, sank one cruiser, crippled a battle-ship and damaged another cruiser.

ment. But the Little Rock summit offers Mr. Clinton an opportunity, while he has the attention of the nation and the world, to begin tackling the international economic issue. I am told that it is not on the two-day agenda. That could easily be fixed. The Washington Post.

By Hobart Rowen slump. Economic growth in 1993 any on the horizon, and as such is a continuous threat to stability to Europe and the rest of the world. Third World. Ironically, the single area of prospective global strength is among the developing countries, which are expected to grow

> they did this year. The incoming Clinton administration will have to deal with at least

· Economic decline in Germany and Japan means that U.S. exports, which helped sustain recovery this year, will probably fall off, making the task of generating long-term eco-nomic prosperity that much harder.

by more than 6 percent next year, as

• Japan and Germany will be pressing the United States, in the Group of Seven and at the 1993 economic summit meeting to Japan, to ty in serving them quickly enough. reassert its leadership to pull the world out of recession. This presents **1917: Enemy Aliens List** an opportunity for the United States - which should have at least modest NEW YORK - Prominent men growth next year - to press the case throughout the country are congratufor lower toterest rates around the lating the Herald for publishing a list of alien enemies - Theodore Roosevelt: "The Herald is doing a great patriotic service for the United States

 President-clect Clinton must somehow defuse the economic time bomb that waits to explode in the former Soviet Union. Mr. Clinton and his team, during

his appreciation." Mr. Daniels, Secre-tary of the Navy: "The list should be of immense service to the Government the campaign and the transition, focused largely on domestic economic in hunting down encodes on American issues, except to define a stand on the soil. It would undoubtedly be an ad-North American Free Trade Agree- vantage if newspapers to other cities

## Not Too Late to Expand Little Rock's Economic Vista

WASHINGTON - Bill Clin-ton's press office says that the economic "summit meeting" to be held Monday and Tuesday in Little Rock, Arkansas, will focus on "America's current economic health and long-term economic prospects."

That is not surprising. It was a weakening domestic economy and President George Bush's inability to deal with it that led to Mr. Clinton's overwhelming election victory. But given what has been happen-

ing overseas in the past few months and I am not talking about Somaha and Bosnia --- the president-elect must pay more attention to international economic issues.

who will coordinate both elements.

in areas of critical importance to the U.S. economy:

surge in European growth symbolized by "Europe 1992," cooperation on the Continent has unraveled. Europe is embarking on a "two-tier" relation-ship, dividing the relatively successful economies from the weaker ones. Hope for a strong economic and poli-ical union has faded. EC Commission President Jacques Delors said last

more than 60 of her colleagues. "Just seeing what Clinton eats is pretty distressing," said the letter's anthor, Alice Waters of Chez Panisse in Berkeley, "McDonald's and Cokes. It's a terrible image." She urges the next president to become a spokesman for organically grown food, "food that is delicious, wholesome and responsibly produced." The next White House chef, says Chef Waters, should be someone "who em-hraces this philosophy." A fine philosophy it probably is, too.

But a lot of interesting little personal "facts" about Mr. Clinton have emerged in a few of those austere, artistic plates of halfrecent months. And as many a member of the great American munching class has ob-served, with this man, the food thing is real. When a deep-fried, commeal-coated, hread-wrapped, onion-smothered, cheese-drowned something or other is proffered

new White House cheL Make the presiden-

cy a bully pulpit for all things dictetically

correct. That is the advice conveyed to

President-elect Bill Clinton to a letter writ-

ten hy a California ehef and endorsed by

with canned peppers and tomatoes and an-other for a lemon pie that takes two cups of sugar. They should not worry; the unpub-lished ones are probably much worse. It is possible, of course, that the president will take some or all of this advice and make an effort to provide what Chef Waters de mands of the White House: "a positive statement, a distinctly positive, principled statement" on food. There is nothing in the Constitution about it, but Mr. Clinton has wide ambitions as president. On the other hand, it is also possible that after pondering

nihhle-and-hand-it-to-an-aide presidency. It will be a doggie bag incumbency. The eners are alarmed that among pub-

lished recipes said to be Mr. Clinton's fa-

vorites, there is one for enchiladas made

cooked vegetables that do not quite look or taste like food, he will conclude that in certain areas there is, after all, something to be said for a limited presidency and a willingness to share the awful burdens of state. - THE WASHINGTON POST.

#### INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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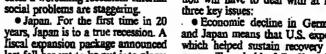
Domestic and international issues cannot be separated. That is a major reason for establishment of a new National Economie Council in the White House, under Robert Rubin,

Consider what has been happening

prices following the puncturing of a huge credit boom to the 1980s. Prime Minister John Major's government • Europe. After expectations of a went the wrong way on interest rates - higher - until forced to reverse policy during September's European Russia and the former Soviet republics. Economie conditions remain desperate, and the International Monetary Fund and World Bank,

like individual donor countries, have not been able to do much about it, week that future possibilities include "a violent crisis." The European econ-omy as n whole is in a significant

<u>والمسيرين جي محمد مجرد جي جي جي جي جي المربح من جي من من من من محمد محمد محمد من م</u>



### in the former West Germany indicates a worsening recession. Internal

years, Japan is to a true recession. A fiscal expansion package announced last fall has yet to be put toto place; the ruling party appears paralyzed by political scanda

could be a bare 1 percent, a forerunner

of even higher unemployment. • Germany. The strongest power to Europe has been surprised to find

its strength sapped by higher-than-expected costs of reunification and

the debilitating effects of high inter-

est rates. The gross domestic product

Britain. The British economy has

been stuck in the mud for nearly

three years, and now is suffering from

a collapse of real estate and housing

## **Panic Asserts Rival** den Made Serbia Poor

### **Campaign Taken to Region Milosevic Once Dominated**

By Chuck Sudetic New York Times Service NIS. Yugoslavia - Promising

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peace and prosperity instead of poverty, the prime minister of Yu-goslavia, Milan Panic, on Friday hrought his campaign to oust Serbia's hard-line nationalist president, Slobodan Milosevic, to the nty Council. republic's industrial heartland, a onetime Milosevic stronghold laid waste by economic mismanagement and international sanctions.

"There has been enough destruction, enough death, enough impov-erishment," Mr. Panic told several thousand enthusiastic, and mostly young, supporters at an afternooo rally. "No longer, at the end of the 20th century, can cannons be used to solve pro

"This is a rich land, and someone has made it poor," Mr. Panic said, clearly, attacking Mr. Milosevic, who was elected the republic's pres-ident in 1990, three years after an

There has been enough destruction. enough death, enough impoverishment."

#### Milan Panic, campaigning in Serbia

explosion of nationalist euphoria catapulted him to the chairmanship of Serbia's Communist Party. This is not a struggle between

two men, but between two systems," he said. "We're here to build," said Mr. Panic, a naturalized American citi-

zen who returned to Yugoslavia to become prime minister. "And when Yngoslavia becomes rich, then we'll tax you all. Only then will the government get rich."

The crowd roared at Mr. Panic's quips, heavily accented Serbian and jabs at the Communists run-

ning this dreary industrial town. The campaign for the Dec. 20 election has sundered Serbian society, dividing people who see Mr. Panic as a traitor, and even a for-eign agent, from those who see him as the country's last potential sav-

Mr. Panic, a former bicycle racer who defected to the United States and made a fortune selling pharma-centicals, returned in July to become prime minister of the rump

state of Yugoslavia at the invitation of Mr. Milosevic and Yugoslavia's president, Dobrica Cosic. Belgrade's invitation to return was clearly a tactie aimed at using Mr. Panic to persuade world leaders to lift economic sanctions imposed by the United Nations Secu-But in the five months since Mr. Panic's arrival, during which he narrowly survived two parliamentary votes on no-confidence motions, he has relentlessly attacked Mr. Milosevic for stalling free elections and refusing to relinquish control of the country's major or-

gans of communication. Now, Serbian nationalists, who support Mr. Milosevic and favor dismemberment of Croatia and Bosnia-Herzegovina and the creation of single state for all the for-mer Yugoslavia's 8.1 million Serbs, are pitted against moderates back-ing Mr. Panic. The moderates favor

a compromise that could include eventual recognition of Croatia and Bosnia-Herzegovina within their present borders.

their present borders. The campaign tour marked Mr. Panic's first attempt at building grass-roots support in Serbia itself. The latest opinion polls show him with a slight lead in the race, but more than 15 percent of people surveyed have said they were unde-cided

cided "Panic is sincere," said a 42-year-old textile worker. "He doesn't need to steal our money.

He's got plenty of his own." "The young people will vote for Panic," the worker said. "The vilunder review. lage people will solidly back the regime. All they do is watch Belgrade television, People who've

mained opposed to committing gotten their jobs through the state will also vote for Milosevic because ground troops unless the objective they are afraid." The bulk of Mr. Milosevic's sup-NATO to admit some East Enrope-

port is among the pensioners, the Communist Party dichards, the po-lice and the villagers who rely for their news on Belgrade television, the driveshaft of Mr. Milosevic's propaganda machine.

Bitter Milosevic supporters at the fringe of the rally Friday showed the antipathy that Mr. Panic faced with just over a week left before the vote. "Mr. Panic has traveled the

sary," he declared.

world but done nothing for his peo-ple," said a former salesman, Petar Radenkovic, 71.

"He is Bush's agent and thinks only about his foreign masters and his business," he added, "He wants to sell Serbia out."

By Roger Cohen there have to be reviewed carefully. New York Times Service PARIS - NATO's secretary-His remarks, made at a press conference, came amid growing outrage in Europe over the failure eneral, Manfred Wörner, said Frito act to stop the fighting in Bos-nia-Herzegovina, where at least day that the alliance was prepared to intervene in the former Yugosla-

17,000 people have died in the past ten months in fighting between Serbs, Croats and Muslims. This via if requested by the United Na-tions, adding that contingency plans for a military operation were week, Prime Minister Ruud Lub-But Defense Secretary Dick Chebers told the Dutch parliament: "f don't give a damn who takes the lead. I think it's scandalous that ney, speaking at the end of a meeting in Brussels of NATO defense ministers, said Washington rethere's intervention in Somalia, but

not in Yugoslavia." However, Mr. Cheney reiterated re clearly defined. He also urged U.S. coocerns over sending in American ground troops.

While we clearly have the ca-pacity along with the NATO allian governments to membership in order to confront security prob-lems in that region more effectiveance to use our military assets to carry out whatever mission we're given," he said. "ft's not so much a Mr. Wörner, while stressing that the UN should continue to have the matter of feasibility as of the complex political decision that needs to leading role in responding to the Balkan crisis, said that NATO was ready to act. 'f have no doubt that, if asked by the United Nations, the be made about what your objec-tives are and how military force should be applied and what you

alliance would do what is neceshope to ach Asked specifically about the use of air power, Mr. Cheney avoided the question, dwelling instead on Contingency plans bad been drawn up, Mr. Worner said, but declined to elaborate. Later, he told the problems of committing ground forces. "I feel strongly that a large component of ground forces would probably not be that benefi-cial," be said. the BBC that he believed the time had come for a military intervention, although the consequences for UN bumanitarian forces already

The differiog interpretations placed on the defense ministers' talks by Mr. Worner and Mr. Che-Said ory appeared to reflect continuing uncertainty within the alliance over

Bosnian refugees warming themselves by burning newspapers Friday in the courtyard of the Europa Hotel, which houses refugees.

**NATO Ready to Intervene in Balkans** 

vive long-term." to NATO to expand to include some of the countries of the former Soviet bloc, "f would advocate ulti-

least some of those nations of cenmeetings, is determined to develop tral and Eastern Europe that meet West European defense structures the fundamental tests we have re-quired of others in terms of their about an expansion of NATO.

commitment to democracy." he

He suggested this would be the most effective way to confroot the security concerns of central Enrope, adding that "a security organization that is devoted to Europe-an security that fails to address

But France, which is outside NATO's military structure and does not attend defense ministers'

Czech, or Slovak? Spoils Are Divided, **Loyalties Weighed** 

New York Times Service onel Peter Fuzak must choose be- sation. tween the Czech and the Slovak

"I am neither a good Slovak nor a bad Slovak," said Colonel Fuzak, and then turning around to point to lands for 18 years. "I'm an army officer who tried to do his job well. My wife and children are Czech. It makes oo sense for me to return to Slovakia." Four weeks before 74-year-old through negotiations.

Czechoslovakia goes out of existence, becoming the Czech Republic and Slovakia, ordinary citizens ton are considering their choice of computers to paintings and plants one-third of all movable proper-

goes to Slovakia and two-thirds to the Czech Republic, both sides have agreed, based on the ratio of Crechs and 5.3 million Slovaks.

rom the West, most of Czechoslovakia's military bases were planted in the more western Czech Republie. Consequently, dozens of freight trains are now lugging military sup-plies east to Slovakia.

But the majority of the 8,685 Slovak officers stationed in the greatly enagerated. Some Czech Czech Republic are expected to de officials have added privately that cide to stay, having put down roots if the gold claim remains an issue, there. This may initially deprive the the Czechs will demand compensanew Slovak Army of enough offi-cers, but no one contests the right ty boldings in Czech companies of each to choose which to join. Real estate will belong to the away of state property, known as republic in which it is situated, coupon privatization.

while things that aren't worth di-PRAGUE - Like all 136,000 viding up physically are being caremen and women in Czechoslova- fully counted, so that accountants kia's armed forces. Lieutenant Col- can figure any monetary compen-

"You see this furniture?" asked armies after the country splits Jan. Miroslav Purkyne, deputy finance minister of the Czech Republic,

Page 5

a career officer from Slovakia who the floor-to-ceiling cabinets behind has been stationed in the Czech him. "Of course, there's no point shipping this to Slovakia. But it all has to be counted.

Although some disagreements remain, most of the problems of the breakup have been resolved so far

Slovakia, for example, agreed last month to a law stipulating that federal buildings belong to the re-public io which they are found. citizenship. As another part of the But, pointing to a clause in the law process, officials are working over-ime to count and divide national property, from the army's 1,435 tanks and government BMWs and from the Czech Republic. This is because most federal government buildings are in Prague, the capital of both Czechoslovakia and the

Czech Republic. Slovakia, whose capital will be Bratislava, is also asking the Centheir popolations: 10.4 million tral Bank to give it 7.5 tons of gold Czechs and 5.3 million Stovaks. Because the Soviet bloc saw a serves are tallied and divided in a 2potential military threat coming to-l ratio between the two republics. Slovakia says the 7.5 tons came

from citizens' contributions to the nominally independent, pro-fascist Slovak government that existed under Nazi control during World War

Czech officials say the claim is during the nation's virtual give-

German Police Arrest 6 Neo-Nazis in Hostel Raid

The police raided offices of the party and arrested two members of a self-styled militia unit that allegedly trafficked in arms.

Four party bank accounts were frozen

A party follower was arrested in a raid in Hoyerswerda, where neo-Nazis besieged an immigrant bostel for a week in 1991, for his suspected involvement in an attack on an Italian pizzeria.

German Alternative was the second oeo-Nazi party banned in two weeks, after the Nationalist Front was forced to dissolve.

Extreme-rightist individuals or gangs have attacked foreign asytum-seekers and residents as well as Jewish Holocaust memorials in Ger-BONN - The police arrested six rightists Friday after an attack on a hostel for foreign

many more than 2,000 times this year. Seven-teen people, including eight foreigners, have been killed in the attacks. The state prosecutor's office said the six were in a gang of neo-Nazi youths armed with base-Interior Minister Rudolf Seiters said Friday that a nationwide sweep against the neo-Nazi party German Alternative, which was banned Thursday, had resulted in the seizure of tear-gas

ball bats and hammers who had gathered out-side the hostel, shouting xenophobic slogans and throwing stones through the windows. They broke down the hostel's front door but fled after a resident threatened them with a pistols, annumition, membership and address lists, and large quantities of banned Nazi proknife, a spokesman for the prosecutor's office paganda.

asylum-seekers in the eastern town of Klötze.

those concerns is not going to surmate membership in NATO for at

the most effective approach to the Balkan crisis. Mr. Cheney, who will step down next month, made a strong appeal

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### Synergy at work

## **Privacy for Royals? Nothing Further From Media's Mind**

Richard W. Stevenson New York Times Service

Page 6

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LONDON - When he announced in the House of Commons that the Prince and Princess of Wales were separating. Prime Minister John Major said in earnest tones and to a chorus of approval from his colleagues in Parliament that he hoped the news media would now afford the royal family some privacy.

The next morning The Sun, one of London's mass-circulation tabloids, devoted fully half of its 56 pages to the news of the split, including a guide to potential new romantic partners for the cstranged couple. By then the pack of reporters and photographers trailing the prince and princess and other members of the royal family as they went about their separate public appearances had swollen by some estimates to four or five times its normal size, with scores of journalisis following Diana

On Friday, the village of Ballater in Scotland was preparing for an invasion of journalists eager to penetrate the shell of privacy thrown up by Buckingham Palace around the marriage there on Saturday of Princess Anne, the divorced daughter of Queen Elizabeth 11 and Prince Philip. to Timothy Laurence. Prince Charles will probably attend. Princess Diana will not, t"Di Snubs Bride Anne's

Big Day." The Sun's headline said Friday.) With the royal family now forced to balance modern mores and the messy realities of yet another marital split against its traditional roles and duties, journalists at the tabloids and even at some of the "quality" papers said they were clearly not going to leave uncovered the next stage of a relationship that they once portrayed as a fairy-tale romance.

"As far as Diana and Charles are concerned, there's only going to be more interest in what they're getting up to," sold Leaf Kalfayan, of The Sun. "They failed as marriage partners, and there's great curiosity about the next steps in the constitutional game.

Actually, Mr. Kalfavan acknowledged when pressed on the point, the interest is not so much in the constitutional complexities that might arise from the establishment of separate households by Charles and Diana, but in any romances that the prince and princess might pursue outside of their marriage "If he returns to old flames or strikes up rela-

tions

(Costinued from page 1)

June 30 deadline for ratification of

the Maastricht treaty. The agreement calls for estab-

lishment of a broad European cur-

reney union by the end of the de-

cade and the development of

political cooperation to promote a

common position on defense and

"I don't want to utter wild

threats as to what could bappen," Mr. Vogel said, "But I got the im-

pression from this morning's dis-

cussion that Germany is not alone

Community leaders managed to

reach agreement on a bandful of

Even as the sparring continued.

in saying we can't wait forever."

foreign policy matters.

other issues.

쁥

tionships with women we've never heard of, our readers will be the first to see the pictures and read the story." he said. "Everyone who comes in close contact with Diana will most certainly be portrayed and described by The Sun."

In Britain and around the world, coverage of the royal family is virtually an industry unto itself, and one that has proved extremely successful in selling newspapers and magazines and bolstering television ratings. In the United States on Thursday night, ABC broadcast an interview with the Duchess of York, the former Sarah Ferguson, reflecting on the failure of ber marriage to Prince Andrew following the publication this summer of pictures of her topless with another man.

Journalists here do not deny that they pursue the story of the royal family's travails zealously etimes a bit too zealously. In particular, editors said they had doubts about the decisions of several papers this year to print surreptitiously taped phone conversations purportedly revealing secret affairs conducted by both Charles and Diana. But they defended their work by arguing that on the whole it had been proved correct.

"I don't defend everything the press has done as far as the royal family is concerned," James Bishthe chairman of the Association of British editors, said at a hearing in Parliament on Thursday into the need for privacy laws. "At the same

time, ultimately what they reported was true." Mr. Kalfayan of The Sun said that if anything the media had not been aggressive enough in covering the royal family and specifically in uncovering the marital difficulties of Charles and Diana. "We owe an apology to our readers for not telling them earlier about the true state of the lives of the Windsors," he said.

Among some members of Parliament and other people who live regularly with unwanted publicity, the increasing likelihood of photographers crawl-ing through the underbrush for a chance to take damning pietures of romantle encounters is prompting renewed debate about imposing a privacy law

The hearing in Parliament had been scheduled previously, but the timing could hardly have been more appropriate. Not only bad the royal separa-uon been announced the previous day, but so had a decision in a French court to award the Duchess of York more than \$90,000 in damages for publica-



Princess Anne boarding a flight Friday for Scotland, where she is to marry Timothy Laurence.

## **Death Toll in India** Climbs Over 1,100

\*\*

destroyed his rooftop satellite re-

ceiving dish early Friday. He said

they had accused him of listening

to the BBC and shouted, "We will

not let you listen to news from

The police have killed the major-

ity of the more than 1,150 people

who have died. At least 80 percent

cent of the population of india

which is overwhelmingly Hindu.

The majority of the police and

paramilitary forces also are Hindu.

Curfews that have been imposed in bundreds of primarily Muslim

communities have left many poor

Muslims interviewed by Washing-

ton Post reporters this week, the woman added: "Even the Hindus

are not as bad as the police. The

police are torturing us poor peo-

zone Friday night as terrified resi-

dents peeked from behind doors

Scelampur looked like a war

families without food.

Mr. Rao told reporters that be did not believe the police had used excessive force against Muslims.

of those killed were Muslims.

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By Molly Moore Washington Post Service NEW DELHI - Sectarian violence spread across India on Friday as the death toll climbed to more than 1,100 in the worst wave of killings since the religious upheaval

that followed the partition of India 45 years ago. Although Indian officials and

Tens of thousands of people government press agencies claimed for the past two days that the ashave been left homeless in the slums of Calcutta, the northern saults had diminished, the number state of Assam and other areas as a of reported deaths has remained result of fires that have destroyed about 200 each day. Prime Minister P. V. Narasimha homes and businesses. Muslims make up only 12 per-

Rao, holding his first news conference since Hindu extremists demolished a mosque on Sunday, said that the crisis posed "a grave dan-ger to the country," hul insisted that "the worst part is behind us as of today."

Even as paramilitary forces and the police contained the killing in some areas, turbulence was rekindled in others. The government has attempted

"Our children are starving," said a mother of four in Seelampur, "1 to quell the rioting, in part by prohibiting the state-controlled televiwent out to buy milk for baby this afternoon and the police started sion network from airing footage of the mosque attack or the violence hitting me and showed me their that has swept India, Pakistan and guns. They said, 'We'll kill you!' ' Bangladesh Echoing the fears of dozens of

Numerous reports from cities throughout India indicated that the government also may be understating the death count. In Bombay, where there were re-

ports of arson and looting Friday, the official death toll was 160 since Sunday. But some local officials said many deaths had not yet been officially recorded and that the total could be as high as 200.

and windows at streets lined with Zakir Hussain Ansari, a 55-yeargaping black holes that a day earlier had been clothing shops, vegeta-ble stalls and residential apartold cable television operator who lives in the New Delhi neighborhood of Seelampur, said the police ments.

#### **YELTSIN:** President and Congress Remain at Odds **Fighting Erupts** crat. Many of his advisers also fear

### In Tajik Capital

Fighting flared Friday in parts of the Tajik capital, one day after it was seized by allies of the deposed cow would be taken as a signal by many of Russia's autonomous represident, a former Communist,

Forces led by Interior Minister Yakub Salimov, hacked by tanks Perhaps as a result, Mr. Yeltsin and the Congress endorsed a joint statement Friday pledging to abide by the constitution and encouragand armored vehicles, seized government buildings in central Du-shanbe after gunbattles with Islamic guerrillas.

Mr. Salimov's troops, who sup-port the former president, Rakhman Nabiyev, regained control of Dushanbe on Thursday from forces loyal to an Islamic-democratic coalition. Mr. Nabiyev, a former Communist, was forced to re-

(AP, Reuters)

#### (Continued from page 1)

gress of People's Deputies, elected before the breakup of the Soviet Union, has become a bastion of reaction and a hrake on reform, the president said. Earlier this week the legislature fell 54 votes short of the majority needed to confirm Mr.

Ironically, after their first day of working sessions, Community leaders, foreign ministers and finance ministers, along with their spouses, headed to a formal dinner with the British royal family, including the Prince and Princess of Wales, who announced their own formal separation this week. Charles and Diana set at separate

> law seemed 10 weaken Mr. Yeltsin's position further if, as be promised again Friday, he continues to

"They certainly took another weapon out of Yeltsin's hands," said Sergei Filippov, a leader of the radical democratic faction in par-

Other liberal deputies suggested that the president would have to ignore the Congress and appeal di-

"The Congress hy its actions has violated all norms of human rights, to which the president must strictly adhere," said Serger Yushenkov, ing people to stay calm. Mr. Stankevich said that one The constitution says that the source of all power is the people, and I think Yeltsin should turn

constitution, could threaten dosin's reputation abroad as a demo-

that even if the army and other security organs remained loyal to him, which is by no means certain, such a breakdown of order in Mos-

## publics to secede altogether.

directly to them." But such a move to flout the balance of power between the exco-Congress, and essentially scrap the utive and legislative hranches. New mestic peace as well as Mr. Yelt- low, he said, but by no means im- sign in September. mediately.

since Danish voters narrowly re-jected the Maastricht treaty in June rately, forged an "economic growth initiative" that would create two separate funds with a total of more and French voters only barely apthan \$13 billion to provide loans to proved it in September, want to demonstrate that the "Community small and medium-sized business to leave the Community. as well as bolster spending on transportation and communica-

Political leaders, officials said, adopted a statement designed to overcome widespread public opposition to heavy-handed regulation

by Brussels, The directive, which would be joined to a separate proposal to eliminate more than 20 current or proposed EC regulations, would make it clear that decisions should Saturday, be made at government levels as

close to the people as possible.

can only act where given the clear power to do so,"a British official "From now on, he said, "nation-

power is the exception."

to reach a satisfactory agreement with its Community partners by the time the summit meeting ends on Foreign Minister Uffe Elle-

mann-Jensen of Denmark said his tables at the dinner.

tion of the photographs showing her topless. EUROPE: Denmark and Britain Get Pressure to Ratify Maastricht Finance ministers, meeting sepa-Community leaders, reeling ever overriding goal was to avoid a situation that would lead to a second

rejection of the treaty by Danish

dren.'

al power is the rule; Community Despite the initial difficulties. most officials expected Denmark

#### voters. If that happened, be warned, Denmark might be forced "It would be a very complicated divorce," he said, "with a lot of fighting over furniture and chil-Gaidar, 36, as prime minister. In a mood by turns anxious and

defiant, legislators struck back at Mr. Yeltsin's demands Friday by amending the nation's referend law to preclude any voter initiatives that might threaten their terms which are now set to expire in 1995. They also voted to investigate the nation's media for alleged bias against the Congress and used a scheduled rotation of deputies through a smaller working parliament to increase the power of con-

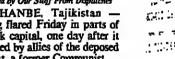
servatives there. The change in the referendum

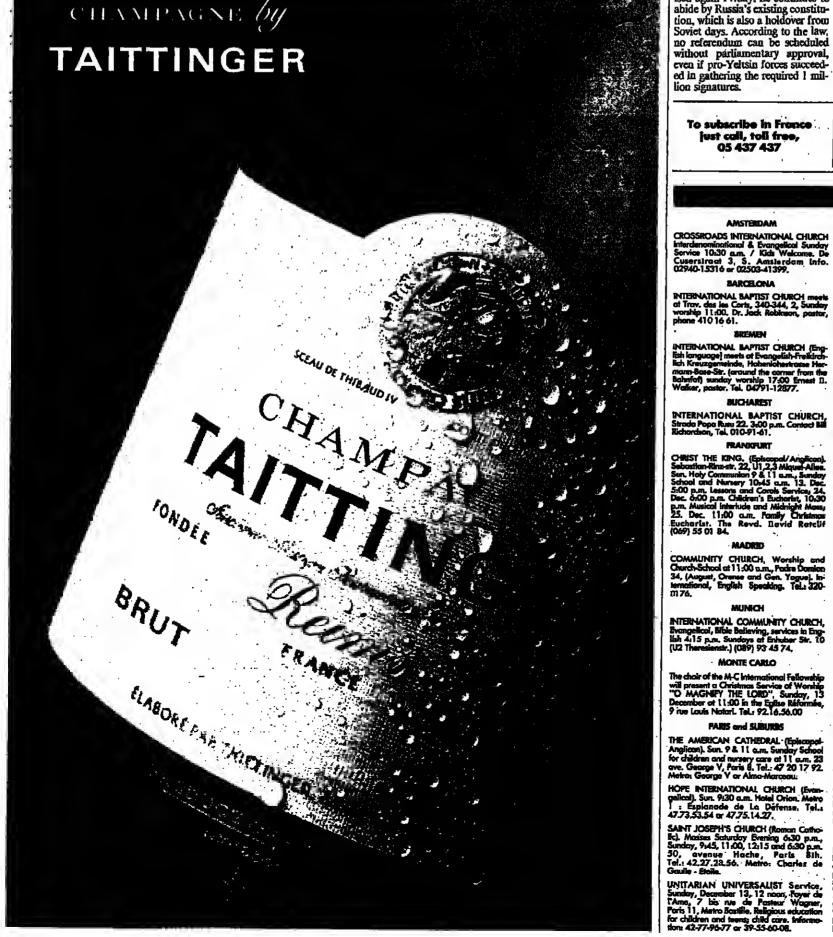
rectly to the people.

liament

possible formula for a referendum would be to ask voters to endorse a preamble to a new constitution, which would clearly delineate the parliamentary elections would fol-

## Compiled by Our Staff From Dispatches DUSHANBE, Tajikistan —





Seoul Ties North's Reshuffle to Economy

Compiled by Our Staff From Dispatches SEOUL — The appointment of Kang bong out as North Korea's prime minister was interpreted here Friday as a possible sign of added emphasis on eco-nomic revival. Mr. Kang, 61, who succeeds Yon Much served as prime minister from 1984 to

"As Kang is an economic technocrat and the come-back of a former prime minister is unprecedented, the this reshuffle is seen as a means of cementing the shake-up clearly shows that economic rehabilitation is power base of Kim Jong IL" a North Korea watcher North Korea's top priority," said Pyon Jin II, editor of said. the newsletter Korea Report.

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The move was also regarded as a further step toward

(AFP, Reuters)

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ZURICH

## Jordan Sees Baghdad's Hand in Scientist's Death

By Youssef M. Ibrahim New York Times Service

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PARIS - An Iraqi nuclear scientist who was shot in Amman, Jordan, was killed by agents of Iraqi intelligence to deter other Iraqis traveling to Jordan who might consid-

er defecting, Jordanian officials say, The officials said the scientist, Mozyyed Hassan Janabi, 35, was killed because he had close Jordaman-Iraqi ties. In the past few failed to return to his job after several weeks of vacation in Jordan.

Mr. Janabi had accepted a contract to teach in Libya and was preparing to travel there when two men ambushed him Monday at an apartment he had rented. They shot him in the head as his wife and two children watched.

The officials said two men were arrested

after the killing. They added that one of them to seek asylum in the West. Large numbers was a taxi driver from Baghdad who had contacted Mr. Janabi's wife by telephone before the killing and had claimed that he embassies in Amman every month. Few sucwas carrying money from the scientist's relaceed. tives in Iraq.

The London-based Arab newspaper Al If the two men are put on trial, the move is Hayat said Friday that four other Iraqis, carrying Iraqi diplomatie passports, were ar-rested as well. The Jordanian officials would bound to significantly affect what had been weeks, however, King Hussein has put some not confirm or deny the report. Another Arab newspaper, Asharq Al Awdistance between himself and the Iraqi regime. He has called for the installation of a sat, reported that a network of Iraqi under-

democratic, pluralistic government in Iraq, a cover agents was being rounded up by Jordamove that would imply the removal of Presinian security officials. There was oo dent Saddam Hussein. The Jordanian officials said that Mr. Janindependent confirmation of this report either

abi was ordered killed after reports filtered back to Baghdad that he had tried but failed

INTERNATIONAL CLASSIFIED

ported to have arrived in Amman on vaca-tion on Oct. 25, but failed to go home when of Iraqis, particularly from the upper and middle classes, ask for asylum at Western his leave was over.

Officials speculated that the killing, the first of its kind in Jordan, was meant to strike fear among an estimated 20,000 Iraqis who are living there.

Jordan and Iraq have been bound by close ties for nearly a decade. Jordan remains virtually the only country to which lraqis can travel freely and easily, with the permissioo of both countries.

Furthermore, Iraqi officials who want to leave or return to Iraq travel overland through Jordan because Iraq is prohibited by United Nations sanctions from using its aircraft for transportation or from letting for-

Firefight Erupts

Mr. Janabi worked at the Iraqi Military craft for transportation or from lett Manufacturing Organization and was re-

## Israeli Farmers Tighten Belts As Fallow '7th Year' Looms

#### By Clyde Haberman New York Times Service

HAFETZ HAYIM, Israel - Just as the calendar warned, belt-tightening has begun for the 500 members of this religious kibbutz sprawling across luxuriant fields a little more than 30 kilometers south of Tel Aviv.

They are planting less cotton, normally an im-portant cash crop. Instead, they are accumulating surpluses of wheat and corn so that there will be enough feed for the cattle and chickens to last for

two years. They are building oo oew houses, buying no new cars, contemplating oo new investments. Their children will have to make do with fewer extras. such as school trips and music lessons.

for decades, amounts to a theological loophole that permits Jewish farmers to continue working the land as usual, even during the sabbatical. It means that for a full year, there is a single

person - usually an Arab - who holds technical tile to virtually the entire country's farmland. Apparently, few Israelis are nervous about it.

From the first large wave of Jewish migration to Ottoman-controlled Palestine in the 1880s, the rabbinical authorities have ruled that scrupulously obeying religious writings in this matter would risk lurning fragile settlements into wastelands. And there are the present-day business considerations. "If we were to stop marketing our products to Europe even for one year, we'd be finished," said Yonatan Bassi, the Agriculture Ministry's director-general. It is no more possible, he said, to observe the biblical mandate unswervingly than it would be to honor a companion requirement that Jews in the seventh year cancel their debts to one another. To date, there has been oo detectable rush

But there are no rabbinical escape clauses for Hafetz Hayim, whose members say that Zionist principles, in addition to religious beliefs, rule out

Mr. Brukental says be is well aware that Leviti-cus 25:21 promises: "I will command my blessing upon you in the sixth year, and it shall bring forth fruit for three years." But he adds with a smile, "I

anting a two-year cottonseed that was supposed to flower on its own during the seventh year, to be harvested once the sabhatical ended. Instead, a

This time, they are out only cutting back the cotton crop but also diversifying their sources of income, with a marine park for tourists and a factory that produces paper products.

seven year hitch. Symbolic sales or oo, about 10 percent of Israeli consumers will refuse out of religious conviction to cat any fruit, vegetables or grain produced next year by Jews in this country,

domestically grown wheat that goes each year for bread - a bigger problem oow because bakeries

GOING ONCE, general secretary. "We take no risks in the sixth Yemeni Capital TWICE, SOLD!!! year. With the Jewish New Year in September, Israel Agence France-Presse by Israeli banks to forgive outstanding loans. entered the pivotal sixth year of a seven-year INTERNATIONAL SAN'A, Yemeo - Shootiog agricultural cycle that dates from ancient times ART broke out between security forces and that some Israelis consider as valid now as and demonstrators in the Yemeni **EXHBITIONS** capital Friday, wimesses said. The fighting crupted as the po-lice opened fired for a second day ever. The Old Testament says the land must lie even a symbolic sale of Israeli soil. AUCTION SALES' fallow in the seventh year: a literal reading means this is the last year for normal planting, pruning COLLECTOR'S and harvesting, to disperse thousands of people demoostrating agaiost risiog prices. The police and troops GUIDES Hafetz Havim is among a handful of collective farms that take the word at its word. Its members IN SATURDAY'S can't tell you that it's exactly been like that." In the last "sixth year." the kibbutz farmers tried moved in to break up the demon-stration, but witnesses said that the have already started adjusting their economic priorities and work habits to be ready for the sabbati-INTERNATIONAL cal period starting oext September, when they will protesters soon regrouped and that HERALD TRIBUNE be able to plant nothing. their numbers were growing. "The land belongs to the Almighty and not to you," Mr. Brukental said. "It's good to be remind-ed of that — that there's someone higher than TODAY Clashes at anti-government demharsh winter wiped out the plants. onstrations have left 11 people dead and 48 wounded in the cities PAGE 9 you." of San's, Ta'izz and Hodeida since Wednesday, according to the Inte-rior Ministry. Police officers and civilians were among the casualties. But other farmers have other imperatives to consider. Leaving lands unlended for a year could Farmers are not the only ones caught in the ARTS be ruinous, they say. So in a few mooths nearly all COLLECTOR BUYS Antique silver pointings, drawings, furniture & other Call Paris Tel (33-1) 47 37 99 55 Israeli farmers, observant or oot, are expected to follow past practice and turn control of their lands About 250 people suspected of inciting the unrest were detained over to the Chief Rabbinate for symbolic sale to a by the police for questioning, the ninistry said. non-Jew. So the government must decide before long what to do, for example, about the 200,000 tons of COLLECTIBLES "The security forces will strike Rabbis have interpreted the biblical requirewith an iron fist against all those who attempt to destroy public or ment as applying only to land in Israel that is held by Jews. The technical and temporary sale of farms to a noo-Jew, sanctioned by rabbinical authorices SPECIAL XMAS OFFER WATCHES FOR SALE LW.C. raodel The Vino", 18K gold, outomain, USS 11,500. Balanc Doylora, 18K gold with 18K gold bracelul, USS 19,000. Indies Van Charl & Argels "Fantay", 18K gold, basel set with 2 ross of demonds. 1 interchorasoble leader storps & 1 its gold, USS 11,000. Al 3 brand new with origined loss and cartificate For further debb pieces context DAMBORS Jewelton, 17 Hobergande DK-1057 Coperhogen K, Dassont. Tek +45.3322/334 Fox. +45.33221038 private property," it warned. are under lighter religious supervisioo. 2 Die in West Bank Shoot-Out 1992 Compiled by Our Staff From Duspatches In southern Lebanon, Israeli JERUSALEM - A paramilitary planes attacked a guerrilla strongpolice officer and a Palestinian hold after two guerrilla attacks on The World's Rendezvous With Europe wanted for anti-Israeli activities were killed Friday in a shoot-out in Israeli's militia allies, security sources said. the occupied West Bank, the army The sources said three pro-frani-Where can you buy SPECIAL XMAS OFFER B DIAMONDS ADE YOUR GRE'S MET FRIEND Farfed sensited descurd LITI CT friend Diago dean, with HD cartificate from Non, 92. Export price USS 12,500. Many other descends output stores in stud. For further descile places contact DIAMORE Sensites, 17 Holars goods DIF-1057 Copenhagen K, Denmort. Tel: + 45.33329394 Fox: + 45.333211038 said. ao Hezbollah guerrillas were an electrical plug that can be used Four other police officers were wounded when Israch planes hit a strongbold on Safi mountain wounded, one critically, it said. The police used anti-tank misanywhere in the EC? southeast of the port of Sidon. siles and grenades in their assault on the hideout in the village of The air strike was the first into See the IHT's Lebanon in a month. It followed advertising section on twin attacks by guerrillas on the Israeli-backed South Lebaooo Ansa near the town of Jenin, the army said. THE SINGLE MARKET, Arab reports said that a Palestin-Army militia on the edge of Israel's an teenager was shot to death by RABE Carlier Watch 60's large lank American Carves, Excellent cardition, Original owner, Jacque Movement, \$22,000, Coll/Tax Porin 33-1-63354426 'security zone" in the south. Monday, December 14. Israeli security guards who had A militiamen and a guerrilla were wounded in the attacks by Herald Eribune.

"The tendency is to lower incomes for every-body," said Mosbe Brukental, Hafetz Hayim's At Mass Protest in PERSONALS BUSINESS MOVING EMPLOYMENT MAY THE SACIED HEART OF JESUS be adored, gbrited, koved and pre-saved fixed gbrited, koved and pre-saved fixed gbrited, koved and pre-topoles, proy for us. Saint Jude, help of the hopdes, proy for us. Saint Jude, help of the hopdes, proy for us. Saint Jude, help of the hopdes, proy for us. Saint Jude, help of the hopdes, proy for us. Saint Jude, help of the hop even and learn of Jack and Annes. Say Marcia day your grayer will be artswered. It has never been known to fail Adda and the prover saint Jude for proyen method for Jude for proyen HANK YOU SACHED HEART OF ISUS and Saint Jude for proyen answered. AD. THANK YOU Sache Jude for proyen on sever a AD. THANK YOU Sache Jude for proyen answered. ZS. **OPPORTUNITIES** GENERAL POSITIONS WANTED TECTILE MACHINERY YOUNG EUROPSAN WOMAN, highly shiled, good preservician, realizingual seats poston or personal assettant. Part-ana, fold-sine, free to travel. Tel: 212-717-4977 USA. Tampos Production Machine Conco Surda Forming Machine Conco Nad Machine K. Fasband-Liching & Co AG Ch8646 Wagen L. Jana Switzerland INTERNATIONAL MOVERS FOR A FREE ESTIMATE CALL 3) [7] #9 93 24 3) [7] #9 93 24 3) [7] 961 12 12 3) 3] 452 31 11 49 30 12 245 54 00 49 2241 17 05 91 32 32 759 22 85 34 551 85 67 44 41 221 343 85 30 44 551 991 41 41 41 221 343 85 30 44 651 991 41 41 351 124 551 44 651 971 24 551 44 651 971 51 00 48 77 51 00 34 37 144 32 67 98 41 [1] 945 04 55 39 444 32 67 98 41 [1] 945 04 55 30 Sophisticated, effected, ethrastive Freed/Sounded lady, seeking free-kance jab as personal appreciat/travel companion. Tek MYC (272) 450-1796 Tel: (55) 29 31 41 Te: 875349 FALU C Telefor: 55 28 42 60 Telefox 55 28 42 66 NEMPSPAPER/MAGAZINE DAILY/ WEBUY. Or Cleat (European cimes) sels participation #) or tokeover or shoring for a ran. 5 years established local or methods mayopas (8, Only EC country. Confidenticity secured. Anacjoal pieces. First control: via for to AC Grapp. (Maloyaei) + 60 3 2418834 or The 2017 MA. 1 NEED USA ASSITANCE 1 Snol International Group of Companies upped neuronal for the country. Interpet pico fine & control: via for the 2017 MA. 1 NEED USA ASSITANCE 1 Snol International Group of Companies upped neuronal for the 2017 MA. INT: International for tokeover or es-tokish us OIC Company with tock-proved, office & contry. Intropet pico fine & control: National File picol for European expansion. Spe-cially tody. Benetic, Caed, Switz Portugel. Call. Jet Nathlion, France, CS3 88222140 Fine ISS 8532505. 2ND TRAVIEL DOCUMENTS. D-drive Intere-ony county. GM, 26 Klamma, Adva 10.475 Geneco. Fair 201000 COUNTIERENT DETECTOR FMN Ecol-EDUCATIONAL POSITIONS AVAILABLE PUSITIONS AVAILABLE PACIDITY/ADMANESTRATOR positions involicible full/post image or Schild International University's compares in Modrud, Strosbourg, Serizartond, omong others, Areaze total Monoge-ment, Business Administration, Eco-namics, Accounting / Finance, FhD preferred, master i degree or equivo-list respirated. Sand Institute to the Office of the Yoa Preadem for Aco-dence Affairs, Bergstrase 106, 6700 BNGUEH TEACHEIS NEEDED FOR BNGUEH TEACHEIS NEEDED FOR Busine French + TERL + EEC Call Park (1) 44 39 210. of Jeans and onswered B.S. MANCHESTER MUNICH PARS ANNOUNCEMENTS VIENNA VICENZA ZURICH WASHINGTON 1 (703) 620 48 19 THE INT IS NOW EASTERN EUROPE AVAILABLE IN MANY 
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## The Street Scenes and Smokestacks of Camille Pissarro

#### By Michael Kimmelman New York Times Service

ALLAS - "The Impressionist and the City: Pissarro's Series Paintings" is a revelation, in its way as beau tiful and intelligent as the traveling show two years ago of Monet's series paintings.

The exhibition, at the Dallas Museum of Art, brings together 70 works from the last, astonishingly productive and until now poorly appreciated decade of Camille Pissarro's life.

At no other time did Pissarro convey the same sustained sense of pleasure and freedom. And at no other time does he seem so accessible. To see these late paintings brought together is almost to feel yourself standing beside him in the Grand Hotel de Russie in Paris while he records in one canvas after another the unfolding scene outside his window along Boulevard Montmartre.

The show, which goes to Philadelphia and London after closing in Dallas on Jan. 31, should earn for him a more prominent place in the popular imagination. Of the great impres-sionists, he is the least understood. Think of the art of Renoir or Monet, and an image comes immediately to mind. Not so with Pissarro, whose career was such a constant search for new ways to paint that even to describe him as an impressionist is problematic.

Influenced by artists as diverse as Millet, Monet, Degas and Seurat, he laid himself open to the ungrateful remark by Gauguin, who had studied with him, that he "always wanted to be on top of the latest trend."

To put it more fairly, even in his 60s and 70s and hindered by a chronic eye infection, Pissar-ro was receptive to fresh ideas. He had spent most of his life painting images of rural France, of places like Pontoise, Eragny, Montmorency and Nanterre. Yet be shifted his attention to urban scenes, and by his death in 1903, at the age of 73, he had completed 11 series of paintings, more than 300 works depicting the industrial sprawl along the Scine at Rouen, Dieppe's congested marketplace in the shadow of the Gothic Church of Saint Jacques, Le Havre's busy harbor, and the boulevards of Paris, filled with promeneurs and carriages.

e paintings seem in certain ways to sum up his life. They combine Impressionism with aspects of the Pointillist technique he had helped to develop with Seurat. They point the way for Matisse, who learned from Pissarro and



Camille Pissarro's "Place du Théâtre Français" (1893), depicting a busy intersection in Paris.

who carried forward some of his ideas into the

They are also a potent alternative to the works of Lautrec, Vuillard and Bonnard, whose

urban images from the 1890s focused on interi-

20th century.

the modern city.

He was a great painter of the afternoon sun that casts long, slanting shadows, as in his view of the Tuileries Gardens in winter. And he rivaled Monet in suggesting light reflected in water, as in his view of the rain-soaked Square du Vert-Galant on the Pont-Neuf,

ors and their occupants. Pissarro's art is about panoramas, about the vastness and tumult of But unlike Monet, who concentrated in his series paintings of the 1890s on unpeopled, Edenic scenes, Pissarro was concerned as much In this, his work also responded to the series paintings of Monet. Like Monet, be was keenly about urban drama as about atmospheric efsensitive to the vicissitudes of nature. He fects. Monet made the stacks of bound wheat tracked shifts in weather, portraying the Boiel-dieu Bridge at Rouen, for instance, in an afterhe painted seem to dissolve into skeins of light. Pissarro expressed corporeality through his thick, masonrylike brushstrokes and sturdy noon mist, under gathering clouds, and against compositions, with their strong verticals and a vaporous sunset that glows through whorls of horizontals fixing an image in place. The works in Mouet's series, although hardly smoke rising from new factories along the

encompass the shifting social panoply, but his paintings were also conceived to stand alone, as different from one another as he could make them. Pissarro was a painter of laborers and factories, of new construction and new neighbor-

hoods, often set against old ones, as if to em-phasize the cityscape in flux. Some of the most poignant works in this show are of the Church of Saint Jacques in Dieppe and Quai Malaquais in Paris in the silent, soft light of the early morning

But be was more often a painter of urban spectacle-of "Paris, that large hubbub," as he

called it — epitomized by his images of a parade sweeping down Boulevard Montmanre on Shrove Tuesday, colored streamers dangling from trees and rooftops like strands of spun sugar.

He was not the first painter of smokestacks and dockworkers and the fashionable Paris avenues designed by Baron Haussmann, but he became the one most dedicated to these subjects. And after decades of financial struggle, his series paintings allowed him to end his life in comfort.

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How much his choice of subjects had to do with his well-known interest in anarchist politics is a matter for debate. As an immigrant born and brought up on the Caribbean island of St. Thomas — and as a Jew living in France during the Dreyfus affair and the wave of anti-Semitism that accompanied it, Pissarro was sensitive to the roles of the outsider and the disadvantaged.

It is typical of him that he made a number of the late series paintings small, so that people with relatively little money could afford them.

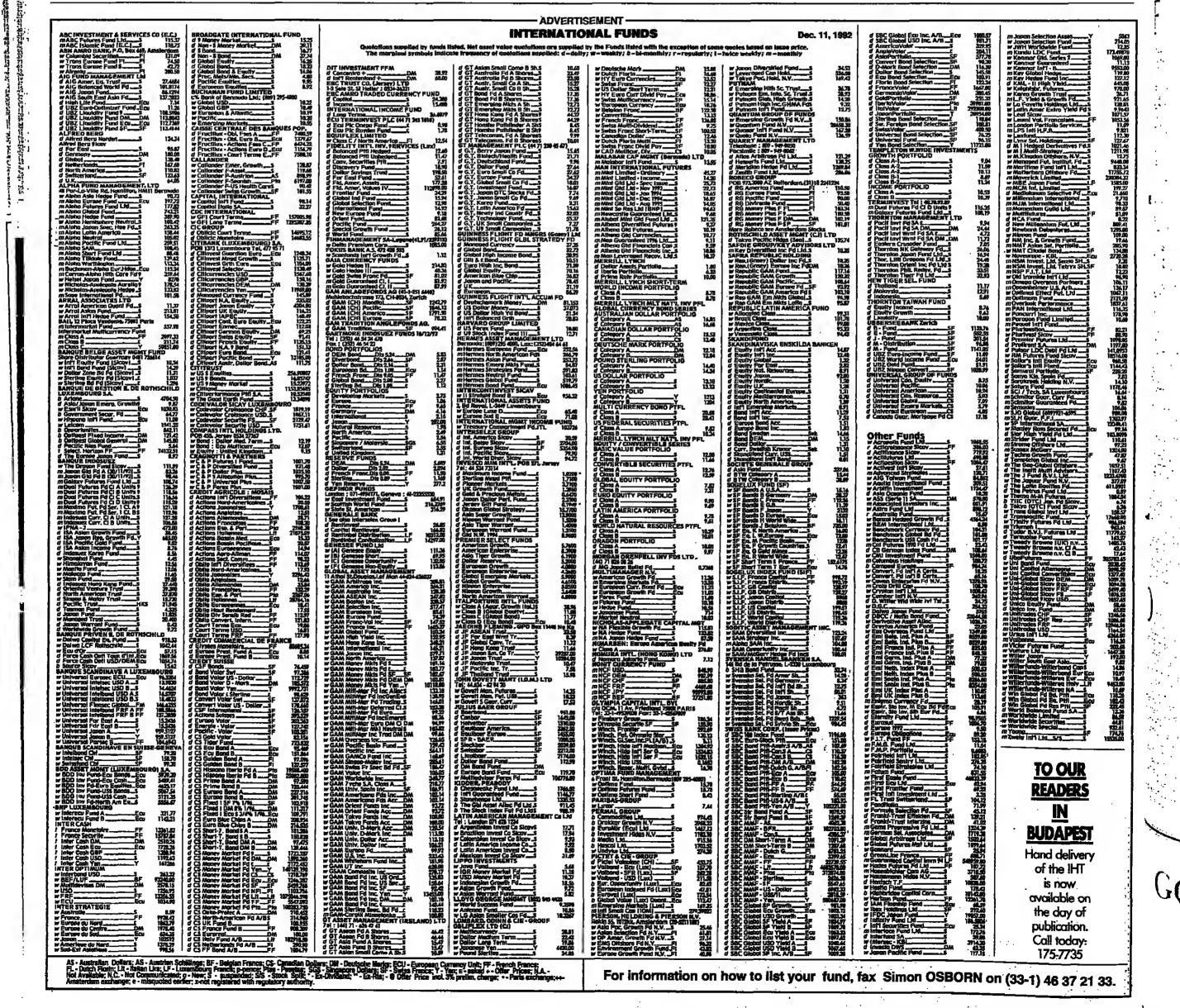
There is nothing in any of these works as explicitly political as his suite of drawings of 1890, "Les Turpitudes Sociales." Yet he clearly paid attention to distinctions in class. Each of the workers hauling wood from the ships along the Seine is neatly characterized in his Rouen series, as are the bourgeois milling about the Place du Théâtre Français in his depictions of that busy Paris intersection.

And when he devotes a series of paintings to an equestrian monument of Henri IV, a king whom Pissarro admired for his religious tolerance, be juxtaposes the statue time and again with an image of a washerwoman.

"Perhaps it is not aesthetic," he said, "but ] am delighted to he able to paint these Paris streets that people have come to call ugly, but which are so silvery, so luminous and vital. This is completely modern."

The exhibition has been organized by Jo-achim Pissarro, the artist's great-grandson, and by Richard R. Brettell, director of the Dallas Museum and a Pissarro scholar who helped to put together the last major Pissarro retrospective, in 1980-81.

That show included only a smattering of the late pictures. This one brings together many works that have not been seen together before and also many works that have never been on public view, painstakingly sleuthed out by the curators from private collections.



التراجية والمتراج Caricature of Rossini (1867). **Belated Greetings** 

Page 8

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### On Rossini's 200th

International Herald Tribund

DARIS - The theaters of the French Capital have not done too well by Gioacchino Rossini in this bicentennial year of his birth, but a compact exhibition devoted to the composer's life in Paris is at the Musée Carnavalet to the end of the month.

Rossini's operas were already well known in Paris, especially as the main-stay of the Théâtre Italien repertory. when be came bere in 1924 in a highly official capacity — as director of the Théâtre Italien, for which he was to compose works in Italian, as well as to compose French operas for the Paris Opera.

The revolution of 1830 coincided with the end of his official and operatic career, but in his two long periods in Paris - 1824 to 1836 and 1855 to his death in 1868 - be was a popular public figure, much caricatured and photographed, witty and gregarious. All that is reflected here, as is Paris life in the mid-1800s, especially around the boulevards, where the theaters were concen-trated and where Rossini lived.

**David Stevens** 

without content, are more decorative and more dependent on one another for their impact. Pissarro wanted each series to be seen intact to

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Page 9

## **Old Master Sales: The Wild Estimates Game**

CANNING CONTRACTOR POTOLICIES

ONDON --- The art market is throbbing with life once again and only the mistakes that auction houses stubbornly repeat conceal what could be a renaissance. Conceal what could be a remainsance. There is plenty of money around. On Thursday, while Sotheby's was selling the most expensive aquamanile ever — a 12th-century pouring vessel from Saxony in the shape of a bronze horseman — which climbed to a dizzying £660,000 (\$1.023 million), little Bonhams, too, had

#### SOUREN MELIKIAN'

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its moment of glory. A still-life by Luis' Meléndez set a record for the 18th-centu-ry Spanish artist as it ended up at £935,000. What makes the Meléndez' price remarkable is that it was paid for a difficult subject. Still-lifes with dead fish do not go down very well with the general public. The superior quality of the paint-ing did the trick. While it is true that Melénde has only repeatly come into his Meléndez has only recently come into his own and is accordingly sought after by several muscums, such a record proves that in Old Masters as elsewhere connoisseurship is dictating the pace. There can be no sounder basis for a

fresh start. However, this also means that fooling around with estimates in order to whip up prices is henceforth lethal. Alas, auction rooms have yet to draw the con-sequences. On Wednesday, at Sotheby's, 46 pictures were sold for a substantial £9.41 million while 39 were left stranded, often nunccessarily.

E9.41 million while 39 were left strangen, often unnecessarily. A string of exaggerated estimates seemed to bear no relationship to real life, up and down the financial scale. To expect £1 million to £1.5 million, plus the 10 percent charge, for a view of the Grand Canal in Venice that until recently was considered to be "probably" by Ca-naletto is to display great optimism. It has now been given the green light by one authority on the artist. This may not be quite enoogh. Bidding started at £500,000 and miserably petered out at

£650,000. The story repeated itself on a far more modest scale concerning works that were undoubtedly desirable. A delightful little landscape on a circular panel by Jan Brueghel the Elder has a seemingly irre-sistible fairy-tale charm. The estimate

should have been in the area of £20,000 to £30,000. With an utterly improbable £60,000 to £80,000 price tag attached, the Jan Brueghel never stood a chance.

ORSE, the small landscape was the first of 10 pictures that went unsold in a row. Some works that looked hopeless had a dampening effect. This was the case with "Christ Interceding for Souls in Purgatory," attributed to Joseph Heintz the younger, a 17th-century German painter of the Prague atelier. The estimate, £40,000 to £60,000, made little reckon that more works attract more peo-

Why would experts such as Julien Stock, Sotheby's director of the Old Masters department, who know their job backwards, stumble so obviously? The explanation is yielded by such curions groups as the nine pictures, eight Dutch, one Flemish, discreetly identified as "property from a Rhineland private collection." These seemed to be stalked by misfortune. Seven of the nine lots were left stranded.

Goya's "A Bullfighting Scene": Its rarity made it desirable.

Further investigation revealed that the group had first been offered to Christie's and then to Sotheby's. In such situations, accepting high reserves, echoed in high "estimates," helps to win the battle in its initial stage. Unfortunately, it also helps to come unstuck in the second and final stage, i.e. when the auction takes place. Another flaw resulting from the ruthless competition in which anction houses are engaged is the need to give an impression of abundance. Vendors of important works do not fancy slim catalogues - they

ple. The bosses of auction house experts are not keen on slim catalogues either. All this leads to the acceptance of duds. On Wednesday, the prize in this line may well go to a "Nativity" attributed to the Master of Sijena, a Spanish artist from Aragon. In a market dominated by connoisseurs, duds fall like dead flies. Many did on Wednesday, superficially giving the impression of a market in difficult straits when every picture worth buying sold, some extremely well.

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**DELIGHTFUL** "Hawking Party in a Hill Landscape" by Wouwermans quadrupled the A high estimate, soaring to £253,000. Another Wouwermans that does not bear comparison made £58,000, Proportionately, this is about right. A beautiful landscape by Philips Koninck seemed inexpensive at £990,000 only because the printed estimate stood at a crazy £1 million to £1.5 million, plus the percent premium. There was one ap painting that morning, Nicholaes

Berchem's ravishing Italianate land-scape, at £77,000. But then oearly every auction has its occasional bargain.

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**WALMAN** 

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When it came to the day's star, a bullfight painted by Goya in Paris in 1824, it could hardly have done better. By that year, the Spanish artist was 78. A politi-cal refugee who had recently fied his country, Goya was asked by his compa-triot Joaquin Maria Ferrer to handle a theme that he had so brilliantly tackled in "Tauromaquia" etchings around 1812-14. This is an aging artist's throw-

back to the past, Goya scenes bardly appear in the market and sheer rarity made this one a target for institutions and major collectors. Even the Prado, rich as its Goya collection may be, is reported to have been interested. Bidding started at £3 million. At £3.7 million, Julian Agnew, chairman of Agnews, the oldest London firm dealing in Old Masters, gave up. Competition continued up to £4.5 million, at which point the auctioneer, Timo-thy Llewellyn, knocked it down to Bill Jordan, a dealer acting on behalf of the J. Paul Getty Museum, John Walsh, director of the Getty Museum, stood at the back of the room an unprecedented move, pointing to his keenness not to miss. The underbidder, on the telephone to a Sotheby's agent, is believed to have been a European private buyer. At that point there was no doubt that big money is being pumped back into the market. If there were any lingering doubts on

that score. Christie's remarkable sale on Friday settled the issue. Vasily superior to Sotheby's in the middle range, it got off to a good start with only one in the first 10 lots failing to find a buyer. That always helps. What did the trick above all were the estimates, which, while still high, rarely went over the top.

The auction gathered momentum, some significant paintings reaching the middle estimate. Canaletto's view of the Molo in Venice fetched a generous £462,000. A few small pieces started doubling the high estimate. Such was a dream sketch by Francesco Guardi done with the lightest touch ever, which shot up to £63,800. There, the role of Noel Annesley - deputy chairman of Christie's and an eminent connoisseur in the field --- who was taking the sale in person, must be stressed.

ERFECTLY attuced to his audience, unlike Sotheby's auctioneer, with just the right gentle touch, Annesley made the sale sing. When it came to overestimated pictures — a pair of small Canalettos bought in at £340,000, which should have been estimated well below that --- Annesley dropped them quickly. When a few nonstarters came up, he would bring his hammer down almost instantly. The portrait of Madame de Vicq was one of the more costly mistakes — the face is beau-tiful and is indeed probably by Rubens, while the rest might be studio work. It would have stood a chance at around £600,000 but was quickly bought in at £950.000.

Then came three sketches by Rubens, the most important going to Agnews of London for £748,000. Of the other two, both estimated too high, one sold just under the lower limit, for £264,000 with premium, while the other failed to find a buyer. Minutes later, an early and beautiful work, the "Entombment," soared to £1.0-5 million, over the high estimate, paid by Otto Nauman of New York in coordination with Alfred Bader of Milwaukee.

It all culminated with a scene by Pieter de Hoocb sold to Robert Noortman of London for £4.4 million. A little girl seated in a doorway has beady eyes and a mustache, both probably the result of some damage, which connoisseurs said could be set right without repainting. It brought to a brilliant conclusion a satisfactory auction. Never mind the 39 pictures that did not sell. The train is well on its rails.

Might Turn Out to Be Last One move the heavy 19th century over-painting pulling away at the original fresco. This cosmetic intervention, By Susan Lumsden LORENCE - Like a typical of the time, was an attempt gilded Christmas card to the world, Benozzo Goz-zoli's fresco "The Procesto blend the Gozzoli original with a 17th century pastiche applied to the new chapel wall imposed by a stair-

Detail from Gozzoli's 'Wise Men' fresco.

Gozzoli's Magi,

Gilded Like New

Latest of Florence's Restorations

sion of the Wise Men" (1459-63) will case run through the palace by the less subtle Riccardi. That most of be unveiled in the Cappella dei Magi on Dec. 14 after a three-year restoration completed for the quincenten-nial of the death of Lorenzo de' His style, though, is often criti-cized as being late Gothic and old-fashioned, certainly in comparison to his contemporaries like Piero

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TO OUR READES

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Medici, the fresco's protagonist. The latest of Florence's monumental restorations and the most icooographically rich of Renais-sance freecos, the "Procession of the Wise Men" or "Magi" might also be one of the last major art restorations in a 10-year boom. A tangible result of Italy's inflated '80s, restoration is being reduced in the new ansterity. Also influenced are the private sponsors like the Banca Toscana, which paid 960 million lire (aboot \$700,000) for the Gozzoli restoration including the chapel and courtyard of the Palazzo Medici-Riccardi.

In his masterpiece, Gozzoli, a

**On Porcelain, the Power of Propaganda** 

met and married.

sense and the picture fell dead at £28,000.

ART EXHIBITIONS LAUSANNE

LAUSANNE

student of the enchanted artist-priest, Fra Angelico (1387-1455), depicts the Medici, led by the young Lorenzo the Magnificent, winding their way on horseback, not to Bethlehem but to Cafaggiolo presumably, through a wooded landscape still typical of the Mu-gello Valley, the Medici's ancestral land north of Florence. It is that deep forest green that is

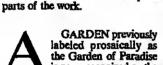
the most striking discovery of a restoration filled with technical discoveries, says Cristina Acidini, the deputy superintendent of the Department of Artistic and Historic Property of the provinces of Flor-ence and Pistoia, who directed the restoration. The real miracle of the Cappella dei Magi," suggesta Acidini, "is that it is windowless."

With normal exposure to daylight, a copper-based green pig-ment turns brown with time, ex-plains Acidini. "Botticelli's 'Primavera' is a good example. The center is faded while the periphery. covered by a thick frame for two centuries, is still a dark green. With Gozzoli, we have vast tracts of the original green, accented by the red lacquer robes and hats of the wise men which are further detailed by the original goldleaf under the original blue 'lapis lazuli' sky."

NE of the most sophisticated technicians of his time, Gozzoli started with a fresco base which he elaborated "a secco" and with lacquer and tempera. With an un-limited budget from his patron, Lorenzo's father, Piero the Gouty (hence the inordinate amount of precious goldleaf and lapis lazuli) Gozzoh's work was immaculately conserved by the genius of the pa-lazzo architect, Michelozzo Michelozzi (1396-1472).

The Cappella dei Magi is a box within a box, totally protected from dampness by an insulation wall. This coupled with no sunlight and few visitors explains its almost perfect state of conservation in spite of candlesmoke and the grime of time.

tary of Renaissance life. Two angels, birds in flight and tiny figures in the landscape are some of the revelations. Perhaps the most precious, offers Laura Lucioli, one of the restorers, is the figure waving in the doorway of the castle. The only negative part of life on the Gozzoli scaffolding, she adds, was the strong fishy smell of the dissolvant (ion exchange resin) she applied with cotton swabs to the tempera



Gozzoli's fresco survived the mov-

ing of its wall speaks for the artist's

della Francesca and Botticelli, Ac-

cording to Acidini, Gozzoli had

pegged perspective just as well as Piero. Restoration has revealed the gradual volume in the hilly land-

scape. It was Gozzoli's dedication

to the details in the foreground that

took his attentioo from the per-spective of the background, insists

Acidini, but it's there, nevertbeless.

restorers have retrieved them from

the 19th century overpainting. In-deed, the new wealth of details

make the "Procession" a

Far from stripping details, the

is now recognized as the 15th Century Ortus Coronarius the rose garden for crowns and wreaths for special occasions. The brigade of 12 is oo longer thought to be symbolic of the 12 apostles but the maximum oumber of young roughnecks allowed to gather with arms in those also turbulent times. So the hunt scene was taken from the practice of the day. With the possible exception of Mantegna's "Camera degli Sposi," ventures Acidini, "no other work of art is as

rich in details of Renaissance life." Given the great state of conservation after 500 years, Acidini and her colleagues decided not to apply a protective finish after restoration. Instead, visitors will be limited to

groups of 10 for 15 minutes at a If there is a problem, it is the lighting. Acidini warns that the wrong lighting can emphasize all the bumps and lesions of a restoration or, if too strong, flatten com-pletely the forms and annihilate the subtleties. In fact, the debate over restoration might well be due to the light in which it's seen.

La Cappella dei Magi is open from 9 to 1 P.M. and 3 to 6 P.M. weekdays except Wednesday and from 9 to 1 P.M. on Sundays. Ticket: 6.000 or 4.000 line.

GOYA at Sotheby's

Susan Lumsden writes about the Restoration was required to re- arts from Florence.



its introduction in Europe during the 18th From the Moscow State Eating Encentury, porcelain became a formiterprise.' We laughed - it seemed an invitation to steal. So I took my dable propaganda tool under the Sovict plate home. After the 1917 Revolution, tea-

pots and platters were emblazoned with boldly graphic Communist images and mottoes, much as dinnerware had been decorated in carlier regimes elsewhere with royal crests and revolutionary slogans.

The hammer-and-sickle emblems and Cyrillic calligraphy in "Revolution, Life and Labor: Sovi-Porcelains, 1918-1985," at the Cooper-Hewitt Museum in New York through April 4, are among the most powerful icons in the history of ceramics.

Similar images can be seen at the Art Institute of Chicago through May, in a smaller show of porce-Shapiro died last year at 84. lains that were made shortly after Some of the slogans on these orcelains will be familiar. "Workthe Bolshevik takeover. The 225 plates, tea services and

ers of the World Unite" is spelled statuettes on view at the Cooperout in Arabic on a plate from 1921. Another plate, showing a hammer Hewitt span the period between the and sickle atop a book, proclaims, "Learn to read and life will be betrevolution and the arrival of glasnost. The museum describes the show as the first comprehensive exter." A green dish by the painter hibition on the subject in the West.

While most items are in the Social Realist style, there are also memorable abstract studies. A half cup designed by the Suprematist artist Kasimir Malevich is a tour de force of geometric form and decoration. The cup is cut vertically in half and fitted with a rectangular handle; its sides are painted with stacks of black bars that look vaguely like ships.

The collection was assembled in Moscow by Henry Shapiro, an locks, cigarette cases, powder both desk accessories, photo frames, etc. American correspondent who worked mostly for United Press International, and his Russian-born **OBSIDIAN**, London wife, Ludmilla Nikolaevna, a writ-

er and photographer. They began Tel: 071-930 8606 Fax: 071-839 5834

Natan Altman depicts a factory in-side a red square, with red lettering collecting in 1933, the year they "It started very much as a joke," on the rim that reads, "Land to the

said Ludmilla Shapiro from her home in Madison, Wisconsin, "We Workers." The inscription oo the Altman were eating at a skating rink and the plates were labeled 'Stolen plate, another example of which is in the Chicago show, helps explain the explosion of porcelain production that occurred after the revolu-tion, despite the shortages that

N the underside of the

plate are two marks. One, from 1896, indi-

cates that it was made

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plagued the period. The Shapiros' holdings grew swiftly. They bought at consignment shops and from the artists who designed and painted the porcelains. Many pieces were given to them by for Nicholas II at the Imperial Por-

friends, most of whom were ap-palled at the propaganda on them. When Shapiro retired in 1973, they shipped their porcelains to celain Factory in St. Petersburg. The other, from 1921, is the symbol for the same plant, renamed the State Porcelain Factory, where the Madison, where he became a protessor of journalism at the Univerplate was painted. Thousands of sity of Wisconsin. Because the couczarist porcelains were recycled in ple wanted the collection to remain this way. intact, they contacted the Smithso nian Institution, and in 1989, Cooper-Hewitt, an arm of the institution, acquired the porcelains.

COLLECTOR'S

GUIDE

HARRY FANE

wishes to purchase old

CARTIER

objects:

ganda takes many forms. The Sovi-et cult of physical fitness is cele-brated on a 1937 plate showing a woman swimmer and other ath-letes. A 1967 hlue-and-white plate from Meissen in East Germany depicts the 1917 storming of the Winter Palace.

> The Chicago exhibition, "Soviet Propaganda Porcelain From the Collection of Craig H. and Kay A. Tuber," presents 45 plates, cups teapots, vases and figures, all de-signed between 1918 and 1924 at the State Porcelain Factory.

As the exhibition reveals, propa-

The depiction of agriculture, architecture and military themes on porcelain was common before and after the 1917 Revolution - even though the images changed, from peasants to farm workers, castles to factories and officers to fnot sol-

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### A World Record Price

We are pleased that on 9th December, Bullfight, Suerte de Varas, by Francisco de Goya, was sold at Sotheby's London for £4.95 million, achieving a world record price. This sum represents more than ten times the previous auction record for a work by the artist.

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or Fred RONAN

Another excellent result in a season of encouraging sales of important paintings.



analysts are Sports & Recreation, which oper-

modest increases" in sales, on the order of 3 to

4 percent from a year earlier, he said. He noted

that same-store sales, a key figure for expand-

ing retailers, have been "terrible" for two big

specialty chains, The Limited and Gap Stores.

"Gap has finally stumhled," he said, adding

menswear specialist.

doing commiting cash to a company with a management styla they did oot favor? The management might argue that no nne forced institutional investors to buy. If the investors dno't like the management style, they can always vote with their check books, and sell. Provided, af course, that they have persuad-ed management to keep the share price high.

Whatever the rights and wrongs of this issue, the board of RWE found out this week net only that money talks, but that, in the case of Calpers at least, it talks in English.

International Herald T.

M.B. John Connallon, Shearson's investment

lantic. The shopping season has gotten off to a slower start in Britain and the Continent, and retailers' shares have not had the same bounce as those of their American counterparts. Because American retail shares have risen so far, so fast, caution and selectivity should be

exercised when buying. A report by the brokers Shearsoo Lehman Brothers notes that "some investors are snapping up shares of retail stocks in anticipation that consumers will return to the nation's shopping malls in reindeerlike herds."

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Tribune

October - Mid

chains like Wal-Mart, Target and K mart. He thinks their sales will rise 10 percent on aver-age. The major department stores, he said, "will have a little less buoyant Christmas; ates sporting goods stores in the Southeast United States under the names "Sports" and "Sports Uni-mited," and Tommy Hilfiger, a they'll be satisfied if numbers improve 4 to 5 Dércent Mr. Millstein, by contrast, is not crazy about the specialty chains. "I think there will be

Retail shares, he said, "have selectively been doing all right. They've been anticipating these numbers, that there'll be some uptick in sales." There is one possible bargain for investors, though, that has shown a relatively small rise in the last few months despite having perhaps the greatest potential of all, by Mr. Millstein's reckoning:

The expected strength of sales this season reflects the perceived upturn in the American economy. In Europe, where a rebound has yet to develop and strongest economy, Germany's, is seen to be on a downward slope, the situa-tion is more gloomy. How is holiday business

"Not good," Claire Kent, an analyst of Con-tinential European retailers for Morgan Stan-ley, said. "Christmas trading hasn't started well in Germany and Switzerland. November was mainly flat."

As in the United States, different segments of the European retail market are showing Liberty, have threatened to violate the law and open on Sundays, amid reports that consumer demand this season may be weaker than ever.

"There are very conflicting signs at the moment," said one analyst for a large London broker, "Certainly there seems to be some buildup, but it still seems very patchy. It will be another late Christmas this year, ... If you start hearing good news from the retailers in the next week or so, it could be a good Christmas."

Retailing shares have done "not too badly nver the last few days, but they've been in a tight trading range throughout the year." said the analyst, who insisted on anonymity. "People are still wary long-term about any upturn in the economy."

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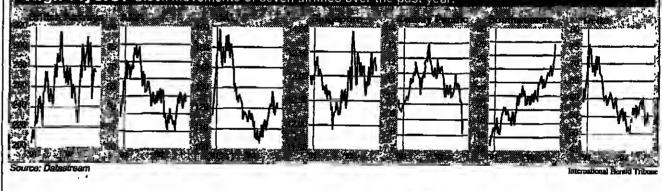
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## For Airlines, Lean Years May Be Ending

### **By Katherine Burton**

HE news this week that British Airways and Sin-gapore Air have both bid for a stake in the Australian state-owned airline Quantas is the latest proof that mixed mar-riages are "in" among the jet set. Over the past year, the airline industry has been aflutter with talk nf cross-border alliances - Air France and Sabena, Northwest and KLM and British Airways and USAir to name a few - as the airline industry continues its shakeout and enters a stage of global consolidation.

The timing of all this matchmaking is not by chance because after three disastrous years, it finally looks as if the airline business is climbing out of the abyss.

The Gulf War and a global economic slowdown sent airline profits diving and the industry world-wide lost roughly \$9 billion over the last three years, wiping out all the profits made in the 1980s, ac-cording to the International Air Transport Association, or IATA. But with traffic this year up 10.4 percent from 1991 levels, fuel prices dropping and the first signs of an economic recovery, the skies are looking friendlier, at least for some airlines.

While few carriers will be making a profit in 1992, they are expected to at least break even next

### BRIEFCASE

#### Ethically Challenged? Here's a Fund for You

The concept of social investing continues to gather momentum in the United States with the launch of two new funds by the San Francisco-based Parnassus group. A balanced fund will invest in bonds and dividend-paying stocks, and a fixed income vehicle will hold any type of taxable bonds except corporate junk bonds. Neither of the new funds will

invest in companies involved with alcohol, tobacco, gambling, weapons or nuclear power. The original Parnassus Fund, an

year, and the more optimistic ana-lysts say that now is the time to buy airline shares, as many are coming off their lows of the year.

Performance of airlines is directly related to economic health, and with average gross domestic prod-uct growth in industrialized nations expected to rise to 2 percent next year from 1.5 percent this year, analysts say we may have hit the bottom of the business cycle.

High Flyers? Stock movements of seven airlines over the past year.

"There is a major structural change under way in the industry. Even if there is a recovery, the shakeout means some con will still perform poorly," said John Brindley a spokesman for IATA.

Airline watchers like Lee How-ard, president of Airlines Econom-ics, a consulting group based in Washington, believe that eventual-ly the airline industry will number about a dozen mega-carriers.

The process of consolidation is farthest advanced in the United States, where Eastern, Midway and Pan American World Airways were dated in 1991, and Continental Airlines Holdings, America West Airlines and Trans World Airlines have sought protection from credi-tors under Chapter 11 of the U.S. Bankruptcy Code.

Bnt airlices worldwide have faced intense competition, as they Kong-based Cathay Pacific Air-dropped fares to get people flying ways, which posted first-haif 1992 i. The practice hasn't paid off: in the past five years, yields measured in operating revenue per pected to continue to benefit from ton-kilometer — have only risen economic expansion in China.

3.8 percent annually while operat-ing costs have climbed 5.2 percent. The fierce business environment has forced airlines to start cutting costs, and those who started first

are now reaping the benefits. British Airways is the prime exare now reaping the benefits. British Airways is the prime ex-ample, as the only European airline the sufficient of the share to hit 16 dollars in the next 16 months, from about 9 dollars currently. ample, as the only European arime that will show a profit this year. It began a strict cost-cutting program in 1990, a full year before such competitors as KLM and Luftansa. The airline saw profit growth of 23 percent in the first half of the year from about 9 dollars currently. Dan White, transportation ana-lyst at County NatWest Securities in London, likes Singapore Airlines, because of the popularity of Singa-pore as a buh. Other analysts, how-ever, don't believe the stock price. to £227 million (\$354 million), but even its executives are whining that business could be better, as secondquarter profit fell from a year earli-

A few analysts also see huying opportunities in U.S. carrier shares, as the U.S. economic situaer due to fewer first-class and business passengers. "We were quite bullish about tion looks brighter.

Mr. Murphy of Morgan Stanley likes AMR (the holding company of American Airlines), Delta, Southwest Air, UAL and USAir. British Airways, but now we are worried by two things, the lack of progress on the USAir deal, and and also that the apparent traffic

now at about 13 Singapore dollars, will take off until next year.

Kevin Murphy, transportatioo analyst at Morgan Stanley in New York, said that with a price-carn-ings ratio of 9, the stock was one of the least expensive airline equities

"We see the first signs of an. economic recovery," he said, "plus-there has just been a fare hike and oil prices are down 10 percent." increase is at the wrong end of the cabin," said Simon Goodfellow, transportation analyst at Baring Securities in London.

AMR, Delta, UAL and USAir Analysts are also bullish on some of the Asian airlines, which they stock prices have all climbed 8 to 20 say are helped by above-average percent from their lows of this year. load factors and low unit operating but some analysts say that despite. costs due to a greater number of the rise, the stocks could take anlong-haul flights. Some analysis favnr Hoog other downturn as the industry endures another sluggish year.

"We won't see a solid year nf profitability until 1994," said Paul profit of 1.26 billion Hong Kong dollars (\$164 million) and is ex-Karos, transportation analyst at First Boston in New York, who is advising clients already holding. U.S. airline stock to hang on.

Street, San Francisco, CA 94111, or equity vehicle with \$41.7 million in call San Francisco (415) 362-3505 assets, has added considerable fi-(800) 999-3505 within the United nancial clout to the concept of social investing recently. As of November, it was up 25.3 percent over the year, compared to 3 percent for Standard & Poor's index over the

### Software Producers Start Fighting Back

Software pirates beware. The Business Softwara Alliance, a group of the largest American soft-ware makers, has launched a campaign against pirated software in Europe and Asia. The group is armed with a set of oew laws that in some cases allow the unannounced search of the computers of compa-

nies suspected of having illegal software.

While the group realizes it can't get everyone, it hopes to make exdeter everyone else. Piracy costs software producers billions of dollars a year, according tn indastry observers. Estimates of pirated business software ruo from 40 percent in the United States to 90 percent in some Asian countries. The campaign has begun with raids in Germany and Belgium.

The group is using teams of lawyers and private investigators and then. calling in the police.

same period.

will be 3.5 percent. For more information, write the Parnassus Fund, 244 California

While the new funds' investment criteria differ from most of their competitors, they resemble typical start-ups in one way: The sales charge has been waived until Dec. 31. After that, the front-end load



### THE MONEY REPORT

## More of the Same in '93, but Opportunities Lurk

attractive in overseas investors.

economy continuing in weaken one

is left with the impression that

terms with the political and social problems, there is still scope for

unpleasant surprises on the carn-

ings side. This will set the trend for

sentiment in Europe as a whole although the Swiss market does of-

The rally in Britain would ap-

pear to be overdone (especially in the light of the public-sector bor-

rowing requirement over the next three to four years). The American market offers better, but not out-

standing value. Although the set-

back in this market has discounted some of the anticipated pickup in economic activity, this market should be bought for yield and not

the expectation of further substan-

Within Europe the French mar-

The world economy is in serious

that its valuation of the works of

ket is the most attractive of the

tial capital appreciation.

Hirohiko Okumura

quality markets.

fer reasonable value.

ions, month by month, on the outlook for the world's major economies, currencies and financial markets.

#### **Gerald Holtham**

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The news from Europe has been uniformly bad now for some time. The most recent indicators from Germany and France point to a slide into recession. Yet inflation and money-growth statistics from Germany remain too high for the Bundesbank's comfort, so no cuts in German interest rates seem to be

That fact clearly threatens further crises in the exchange-rate mechanism as the market speculates against currencies where interest rate cuts are sorely needed. Add in other political storms over GATT and the common agricultural policy and the news of racist violence from Germany and elsewhere and you get an unattractive picture of Europe as an investment location.

That probably means you should be thinking about buying Europe-an equities in the near future. All that bad news will make investors shun the European markets leaving them cheap. Moreover, the recessionary experience of the United States and Britain has clearly shown that lousy company results do not stall an equity market if interest rates are tumbling and the currency is weakening, promising better revenues in the further future. So the big question is will European interest rates tumble?

You bet. At the short end, at least, the bond markets are likely to disappoint their many admirers. The longer the Bundesbank delays in cutting interest rates now - and it will delay - the bigger the drop when it comes. Germany is going into recession and the German gov-

Selected experts in economics ernment's idea for a wage freeze ings have caught up with market and investment give their opin-ions, month by month, on the spending will only make things Despite the recent rally in Japan Despite the recent rally in Japan it is difficult to see a sustainable

worse in the short run. Eliminating real wage increases break out of the recent trading and cutting government spending can only reduce the level of demand. The Bundesbank would need to cut interest rates by 2 percentage points just to offset the

effect of government policy. To actually stimulate the recovery would require further cuts, probably another 2 percent. Don't hold your preath. A similar story could take off in growth for 1993 should average 15 breath. France, where monetary policy is tied to Germany's. Perhaps it's still

a little too soon to buy the equity markets but a bigger danger is trying to be too clever in picking the or sterling-based investor, there

Those readers who followed my previous recommendations to buy Canadian bonds are still waiting for the payoff, but I certainly hope while investors may have come to you made the switch into U.S. dollars I proposed last time. Your cur-rency gains will be more than mak-ing up for a mediocre bond performance. And when buying German and French equities, make

#### sure there is no currency exposure; bedge back to dollars.

Nigel Cumming Following its recent rally, the U.S. dollar has entered inm a peri-

od of consolidation. This trend will continue in the short term but the longer term picture for this currency remains bullish. The British pound and the Deutschemark are unlikely to hold onto their recent

Generally, the confusion and volatility within the ERM is likely to continue, especially as German rates may remain higher for longer than was previously expected.

As for shares, a combination of the "Clinton effect" and bullish seasonal factors should allow Wall Street to make further progress. As difficulty, and the ontlook for 1993 stated previously corporate earn- is for more of the same. Credit



percent and the present level of sterling should make this market Hirohiko Okumura, chief economist, Nomura In the short term, for the dollar Research Institute, seems bittle point in owning Euro-Tokyo pean equities. With the German

> availability is growing extremely percent is far from impressive. It slowly, and disinflationary trends also falls short of the country's po-are in evidence everywhere. While tential rate of growth. The new individual companies strive to find president cannot, moreover, be exsome sort of equilibrium at a repected to turn the situation around duced level of activity, national macroeconomic policies remain woefully out of step. overnight. The problem thus centers on eco-nomic policy in Germany and Ja-

> In the past, a situation of this kind would have drawn a rapid response from the "Group of 3" nations - America, Japan and Germany - which among them account for approximately half the world's gross economic output. This time, however, far from lookin put the world economy back on track, the governments of the world's three largest economies seem bitle interested in anything besides their own domestic eco-

> The United States, currently struggling in overcome the effects of a massive debt overhang, is in no its hopes for economic growth in position in assume economic lead- 1993 on nothing more or less than a ership. The American economy strong export performance. Japan, continues to recover, but the cur- meanwhile, is almost certain to run rent annual growth rate of about 2 up a trade surplus in the area of

investment manager, ANZ international economist, **Grindlays** Bank Lehman Brothers, (Jersey) London

Nigel Cumming, senior

\$130 billion both this year and next and, in this sense, is also clearly looking to exports in keep its economv afloat.

Gerald Holtham, chief

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Unless the "G-3" nations change their approach, the Western European nations that are currently creaking under the strain of lifeless pan. It is particularly striking that real estate markets and increasing these two countries appear to be numbers of nonperforming loans moving virtually in unison. Al-though economic growth had al-most come to a standstill in both will inevitably lose their capacity to persevere with the "hard currency option." At the same time, the recessionary conditions currently gripping Eastern Europe and Ruscountries by mid-1992, real shortterm interest rates remain high. sia as they struggle with the transi-Both countries continue, moreover, tion to market-oriented economie systems will drag on, and this will inevitably heighten the risk of soworld's two largest creditor nations cial unrest.

are thus clearly showing little interest in the desperate credit shortage that has developed around the If America is suffering from a debt overhang, then there must obviously be other countries in the Germany is currently pinning all world nursing asset overbangs. Those countries with financial surpluses surely have a duty to use these surpluses to expand their own economies and, in so doing, in help buoy the world economy,

## For Art Lovers, Borrowing to Buy Is an Exacting Science

#### By Aline Sullivan

ECESSION in Britain and the United States has dealt a beavy prow to one of the most colourful fund raising ploys of the debt-bappy 1980s: Borrowing against the security of works of art.

Lenders who are prepared to ac-cept works of art as collateral for loans have always been thin on the ground. Until recently, the few banks and auction bouses willing to transact this business thought they had found a cozy niche. They bene-

fited both from high margins on the loans and escalating art values. Mitchell Zuckerman, president of Sotheby's Financial Services in New York, said the auctioneer's outstanding loan portfolio has shrunk from \$250 million in 1989 to \$175 million at the end of Sep-

house makes are so-called vendor loans: Advancing money for up to six months to people who plan to sell their works of art through Soth-(\$2.4 billion). To date, about 50 six months to people who plan to sell their works of art through Soth-

Names have participated in the Works of Art for Membership of eby's. Vendor loans, which usually re-quire the art to be lodged with the londer correcome the main problem Sotheby's has not had to force a cby's. usually associated with art as colsale of any of the works of art pledges, even though many Lloyd's Names are believed to face banklateral - the borrower's ability to sell the art unbeknown to the lend-er. The loan simply bridges the gap niptcy. The only risk Sotheby's bears is

between consignment of the work and the auction date. But works of art locked in bank vaults defeat at least part of their simply wrong. In that case Soth-eby's could fail to recoup the value purpose.

Seven years ago an ingenious of the bank guaratice through the plan devised by Sotheby's and Lon-sale of the work of art. The firm don insurance brokerage Hogg Robinson, now Hogg Insurance Brokers, tackled this problem of art This tisk is slim, however. Soth-

as collateral. The plan enabled eby's only lends up to 50 percent of art in 1979 as part of its private works of art to stand security for its estimated selling price of the elient services, employs five art his-bank guarantees, while remaining works of art. It has recently rein their owners' homes. duced that level to 40 percent in Julian Radcliffe, a director of response to deteriorating values. Hogg Insurance Brokers, acknowl-The risk that the works of art edged that the plan has not been a may not be available when re-wild success. This may have less to quired, because they have been sold or lost by the owner, is covered by insurance underwritten by Sun Aldo with its intrinsic merits than with the use to which the bank guarantees were to be put: Helping the art owners become investors in the Lloyd's of London insurance liance Insurance Company. In Britain and most other European coun-tries loans secured against works of market. art is not like a mortgage on a house. Legally the lender cannot take a legal charge, or lien, over the works or art. Hence the need for and a second second

Last year Lloyd's Names, as the want to add to their art collection company in New York. Bruce tion house has learned the hard nvestors are known, incurred un-without staking their other assets as Miller, who heads the company, way. said most of the company's 200

world.

security. Raising funds through art relat-ed loans isn't cheap, bowever, Christic's charges four percentage points above the Bristish base rate as \$15,000 for advances of up to six months, In the United States, Sotheby's charges between three of four points over the prime rate, depend-ing on the structure of the loan. Cathy Bouckley, director of Cit-bank's Art Advisory Service in New York, said the bank won't make a loan using art as collateral for less than \$2 million.

"It is very capital-intensive to structure the loans," said Ms. Bouckley. "They require valuations and a lot of documentation." Citibank, which began lending against

Between 1988 and 1990 Sothoutstanding loans are worth beeby's provided loans to individuals tween \$75,000 and \$100,000 but is

buying substantial works of art at their auctions. This plan came to an willing to consider lending as little Ignominious end after Australian tycoon Alan Bond bought the Van The interest rates he charges are Gogh's "Irises" for a record \$53.9 high --- up to 20 percent, or almost million, largely with the aid of a bank loan and money fronted by twice that charged by Sotheby's or Christies, Like the auction houses, Mr. Miller's lending policy has be-come more conservative in recent Sotheby's. The Sotheby's loan was secured on the painting. When Bond's financial empire collapsed, years. He will only make loans for about 30 percent of the work's esti-mated value, Sotheby's was forced to sell the

painting at a loss. Philip Hoffman, finance director "The turnaround time on sales is slower," said Mr. Miller. "Lenders at Christie's in London, said Christie's only makes advances against have to be careful in choosing their sale proceeds. It currently has about £20 million in outstanding loans to clients based on advances clients now. You don't want to add water to a sinking ship." A few years ago, be used to make advance loans in exchange for an equity stake in the work of art. Declining works. The minimum advance works. The minimum advance available is £15.001. 'It certainly has been a deliberate policy not in expand our lending,"



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tember this year. He admitted to being a little surprised that more individuals had not approached Sotheby's when other sources of credit were exhausted.

The main reason for the reduction in Sotheby's loan protfolio, Mr. Zuckerman said, was the decline in the company's auction turnover. The two are linked because many of the loans the auction

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insurance. The situation is rather different in the United States, Mr. Zucker-man said. There, lenders can register a lien against a work of art. If the work of art is subsequently sold without the lender knowing, the buyer will not obtain title to it.

 Over one month to December 1, 1992

 Other or spectrum of the overlapping of the ov For this reason, borrowing against works of art is more popular in the U.S. than in Europe. However, auction advances an standard loans using works of art as collateral are available in both the U.S. and Europe through a number of sources, including Sotheby's Citibank, and Rosenthal, a private finance company in New York.

Lenders say their clients include individuals who are unable to borrow more on their house or other property and those who simply

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#### art values put an end to that, be presently has about 100 outstanding loans worldwide. She declined said. Sotheby's won't make an outto say it their value had dropped in right loan of less than a million recent years. Borrowers who want to raise dollars and prefers to have several said Mr. Hoffman. "We are an aucsmaller amounts of money can ap- works as collateral, said Mr. Zucktion house. There would be a conply for a loan to Art Funding Cor- crman. The risk in lending against flict of interests if we funded both poration, a small private finance only one work is a lesson the aucparties". currencies at extremely favourable rates of exchange, without charge, For extra security, your noney is only spread among banks n the e chosen and monitored continuously for their creditworthiness. TO: 1 There is no minimum investment and when you need find your cash, usually it can be remitted electronically to your bank account ates' ett anywhere in the world, free of charge, within three business days. Wherever you find yourself, you'll find that Fidelity Money Funds offer a flexible, tax-efficient The distributor of Fidelity Money Funds is Fidelity Investments Distributors, Bermuda, For more offshore alternative to a deposit account. detailed information, including current interest rates for The Fidelity organisation looks after over \$60 billion in cash products worldwide and is committed to providing high returns on your money. below, or return the coupor

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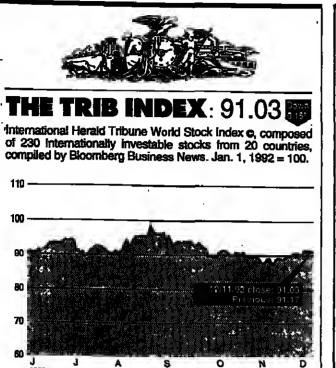
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International Herald Tribune, Saturday-Sunday, December 12-13, 1992



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The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlande, New Zeeland, Nonway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

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### ECONOMIC SCENE

## Southeast Asia Worries About Closer EC Union

By Michael Richardson

## Steel Crisis Breaks Out at Klöckner

Compiled by Our Staff From Dispatches DUISBURG, Germany - Klöckner-Werke AG became the first German victim of the world steel crisis on Friday, announcing it had sought bankruptcy protection for three steelmaking subsidiaries as they struggied with debts of more than 2.7 billion Deutsche marks (\$1.7 billion). The action by one of Germany's most

modernized steel companies posted new warning signs for the European steel industry, which is hurdened by massive overcapacity. It sent the Frankfurt stock exchange into a dive, along with steel stocks elsewhere in

Europe. "This has shown those that doubted it how badly things are going in the steel industry at present," said Alfred Schöngraf, an analyst at Delbrikk & Co. in Frankfurt. Overcapacity in the industry has led to

trade disputes this year between Europe and the United States, low steel prices and especially tough going for Germany's high-cost producers, although other European compa-nies are suffering, too. Frankfurt's DAX index, led down by steel

and banking shares, fell 18.47 points to end at 1,476.01. Shares of Thyssen AG, Germany's biggest steelmaker, dropped 5.70 DM to 149.60 DM. Klöckner-Werke's own stock

The stock of Deutsche Bank, Klöckner-Werke's house bank, lost 14 DM to 627.5. Shares in VIAG AG, a conglomerate that owns 20 percent of Klöckner-Werke through its subsidiary Klöckner & Co., fell 14.5 DM to 319.5.

In London, British Steel closed a penny lower, at 53 pence, while in the Netherlands, Hoogovens fell 2.40 guilders to 22.80 (\$12.90). Hoogovens last month began dis-cussions with Klöckner-Werke for a joint venture in coke and steel slabs.

The stock of Australia's CRA Ltd., which owns 10 percent of Klöckner-Werke, also fell, by 23 Anstralian cents to 12.47 dollars (\$8.60) in London. Japan's C. Itoh & Co. owns another 5 percent of the stock.

Klöckner is not among Germany's biggest steel companies, but its application for bank-ruptcy protection was the biggest in the coun-try in years, another sign of recession in the German economy.

The insolvency petition in court aims at protecting three Klöckner units from credi-

Usinor-Sacilor will give its Unimetal unit 1 hillion francs and cut 850 jobs. Page 15.

tors: Klöckner Stahl GmbH in Bremen, and Klöckner Edelstahl GmbH and Obergesellschaft Klöckner-Werke AG in Duisburg. The units reported a loss of 200 million

DM on an operating basis in the year ended Sept. 30, compared with a loss of 35 million DM a year earlier.

Klockner-Werke, putting the main blame for its plight on a "drastically worsened" world market, announced it would cut about 1,700 of the 7,600 jobs at its two steel plants in the Ruhr industrial heartland.

Total European steel capacity is about 140 million metric tons a year, but European demand stands at about 120 to 130 million tons, said S.A. Akker, analyst at Institute for

Research Investment Services in Rotterdam. For now, the pressure on steel prices is high, analysts said. An overflow of steel could result in Europe as East European producers

export steel to the West, and on the American imposition of temporary duties on non-U.S. steel companies, blaming massive EC steel subsidies

On Monday, the European Community association of steel producers, Eurofer, said in Brussels that it would lodge complaints with the EC Commission over alleged dumping of steel by Hungary, Poland, Romania and Czechoslovakia on the EC market.

Klöckner's losses mirrored conditions throughout the industry. Earlier this autumn, British Steel said it would reduce third-quarter steel production following further deterioration in demand for steel products in its British and export markets.

British Steel had a pretax loss of £55 miltion (\$85 million) in the year ended March 28, after a profit of £254 million the previous year. Hoogovens said in September it expect-ed to make a 1992 loss of 250 million guilders on ordinary business operations and will take an additional restructuring charge.

Klöckner-Werke is offering to pay 40 per-cent of the bank debt incurred by the three subsidiaries.

Deutsche Bank was "very carefully in-volved" in the court move, said a bank spokesman, Hehmut Hartmann. He declined to comment on the size of Deutsche Bank's debt exposure to Klöckner, but said the bank in-tended to help keep the company operating. Bank analysts said Klöckner-Werke's talks with three European steelmakers over possihle cooperation would now be accele erated An analyst for Bank Julius Bar said that in addition to Hoogovens, Klöckner was in talks

See STEEL, Page 14

## **EC Doubts Kee Franc and Krone Under Pressure**

not reverse the trend, said hit

Gunner, an analyst at Chase Mathhattan. "Operators believe to an

increasing extent that a German

The franc closed at 3.4172 to the

Deutsche mark, above its ERM

floor of 3.4305 but down from 3.4142 late Thursday. Dealers shid

there was repeated intervention around 3.4150 from the Bundes-bank and the Bank of France.

The krone fell perilously close to its floor level of 3.9012 to the mark.

ending at 3.8969, dowo from

The continued currency turntyl

In Paris, the CAC-40 index fell

closed at its lowest for five weeks. slipping 18.47 points to 1.476.01. In London, the Financial Times

Stock Exchange index of 100 lead-ing shares fell 10.3 to 2,716.2.

Christopher Potts, strategist at

Banque Indosuez, said the market

was very thin with the franc susceptible to rumors while the Edin-

burgh meeting was in progress.

chances on a Friday before such a big meeting," he said. With Britain's troubled six,

month EC presidency nearly over, Prime Minister John Major opened

the summit meeting by saying there were "still very real difficulties; in

reaching agreemeot" to resolve Denmark's objections to the cor-

nerstone Maastricht treaty on po-

litical, economic and monetary

If money markets receive a

strong signal that the Community

is overcoming its difficulties and

that members are beginning to head in the same direction after

Nobody wants to take any big

mark revaluation is inevitable."

Compiled by Our Staff From Dispatches LONDON - European central banks poured more money into the support of weaker currencies on Friday as the French franc, the Irish punt and the Danish krone irish punt and the Danish krone came under pressure while Europe-an Community leaders began a cru-cial summit meeting. Most analysts said governments were unlikely to take the drastic

step of realigning parities in the eight-curreocy exchange-rate mechanism at the meeting in Edinburgh. But they said the mecha-nism remained vulnerable to speculative selling hecause of the Community's political divisions and Germany's high interest rates.

3.8920. The punt was quoted at 2.6221 DM, narrowly above its lower limit of 2.6193 DM. With the European tensions sending money into the mark, the dollar eased slightly to 1.5775 DM late in the day from 1.5840 at the opening and 1.5795 late Thursday. In a bid to calm speculation, the Bundesbank said it was supporting the French franc and Germany's finance minister. Theo Waigel, said in Edinburgh that there was no

also contributed to weakness on stock markets. The European confneed to devalue the franc. The central banks of Belgium and Denmark said they were sup-porting the krone, and Belgium and ponent of the International Hereld Tribune's World Stock index tell the Netherlands also were reported 0.36 percent to 91.03. to be supporting the punt.

The worrisome point, however, about 30 points initially before railying to close-at 1.758.70, down 10.78 points on the day. Io Frank-furt, the 30-share DAX index was "that these interventions did

### Wall Street Bears Ask **EC Mouths Words of Growth If Stocks Have Climbed** But Budget Squeeze Limits Scope of Action **Over the Mountaintop**

#### By Erik Ipsen

onal Heraid Tribune EDINBURGH - Eager to avoid criticism that arose after the last summit meeting that they had ignored Europe's deepening economic problems, Community finance ministers labored Friday to produce a so-called growth initiative.

Over lunch with his fellow heads of state and government, Prime Minister John Major expressed determination that "the Council demonstrates its relevance to the people of Europe" by seeking remedies for the Community's "fairly bleak" economic prospects, according to a British official.

Given the tightness of EC members' budgets and the persistence of high interest rates across the Community, the final importance of the package that is expected to be unveiled on Saturday may be more symbolic than real.

The effort to boost growth takes place against a background of deepening economic gloom. Euro-pean Community finance ministers meeting here offered only differing degrees of pessimism in their assessments of the economic scene, according to one official. Of particular concern is the Community's rising unemployment rate, which now stands at 9.8 percent. The official noted that opinion among assembled ministers ranged from those predicting "a slowdown" to those seeing "a slide towards recession" across the Community.

the finance ministers reaffirmed their commitment to preserving the hard-won gains against inflation of recent years. They also reaffirmed their commit-ment to press ahead toward economic convergence, a goal that among other things requires governments to keep a tight grip on public spending.

Given those constraints, Europe's leaders have left themselves scant room to maneuver in crafting their growth initiative. Rather than increase spending, and government deficits, finance ministers talked Friday of far cheaper options. They talked of restating their commitment to free markets and fewer subsidies and of a reordering of priorities. In short, the aim is to get a maximum amount of bang out of the relatively little amount of money they have to devote to their new task.

Growth is to be promoted in what officials call a "two-pronged" approach that will feature action both at the Community level and that of the individual countries. The emphasis will be to shift money to infrastructure developments and away from current expenditures. Restraint in the growth of public-sector wages will be encouraged.

months of political and financiat turmoil, the incentive to attack ERM currencies could be lessened analysts said. But if the meeting fails to deal

union,

clusivery with the Dan

UALA LUMPUR — Despite the disputes within the European Community over closer union, countries in Southeast Asia fear that the process of European integration is irreversible and will divert more investment and trade from their region than it creates.

This concern coincides with increasing doubts among some Asian economists that the Association of Southeast Asian Nations will be able to retain its position as one of the fastest-growing economic areas in the world as

new centers of low-cost growth emerge in other parts of Asia as Nascent blocs and well as America and Europe. greater productivity in

ASEAN members are Indonesia, Malaysia, Singapore, Brunei, the Philippines and Thailand. the West pose a

. . . . . .

Analysts say that developthreat. ment of huge oew regional economies in Europe and North

America, combined with sharp improvements in productivity in Western industrial states, also pose a major challenge to many developing countries in East Asia.

Ho Ting Seng, a consultant to the Malaysian Institute of Economie Research, said that cost-cutting forced on the corporate sector by recession "will make the industrial countries very competitive in the next wave of the business cycle upswing."

He said that use of advanced manufacturing technology would mean that even unskilled, labor-intensive industries no longer needed be moved away from advanced nations to lower-cost producers in the developing world.

Mr. Ho spoke Wednesday at a conference on the impact of changes in the international economy on Malaysia and other countries in Asia. On Friday, the EC leaders opened a summit meeting that will have a profound impact on the Community's drive toward a deeper union.

Peter H. Pauly, professor of economics at the Institute for Policy Analysis in the University of Toronto, Canada, said studies he had made showed that concerns expressed by ASEAN about "Fortress Europe" and loss of trade access when the single market goes into

See ASEAN, Page 17

### ratios, price-to-book ratios and dividends as very high, the sign of stocks too fat for their own good, also warn against predicting major market drops. "It has been rare that high valuations alone have created a down market," said Richard Hocy, chief economist and portfolio manager at Dreyfus Corp. The more common villains are high valuations combined with inflation surges or credit tightening, which few analysts predict soon.

By Jay Mathews

Washington Past Service NEW YORK --- Has Sisyphus reached the top of the hill? Consumers

are spending money, corporate earnings look good and stock prices have been moving toward record highs. So, naturally, Wall Street is wondering

if the market is about to drop. The myth of Sisyphus, the king of Corinth, is relevant because analysts

who see stock prices soating always ponder the inevitable downturn, just as Sisyphus knew he was condemned to watch the stone he pushed uphill

Joseph Duncan, chief economist of Dun & Bradstreet Corp., has

declared the market "very overvalued." David Shulman, chief equity

strategist at Salomon Brothers Inc., said: "The market looks pricey. We

look for a year of single-digit returns." Robert J. Farrell, chief market analyst for Merrilt Lynch & Co., added

his weight to the pessimist camp this week by saying "a lower than

Average or negative return year is overdue." Mr. Farrell said: "We also approach f993 with valuations historically high and stock returns having been far above average for 13 years or more. The only negative return year in the last 10 was 1990 and that was only

Such tentative gloom always comes after long market upswings, and

stocks have done well since late 1990. But analysts who see price/earnings

down 3 percent. The last double-digit negative return year was 1977."

roll down again whenever he reached the top.

A downturn, if there is one, may have to await some news, such as an anemic economic indicator or an unexpected anti-growth policy out of Washington, that breaks the optimistic mood, said Neil Plass, chairman of the investment policy committee at Boston Safe Deposit & Trust Co.

In spite of that, neither finance ministers nor their bosses showed any stomach for any sort of government-led dash for growth. In their morning session

There was also talk on Friday of a European Investment Fund to be administered by the European Investment Bank with lendable funds of as much as 6 billion European currency units (\$7.45 billion). By directing money toward loan guarantees rather than straight loans, EC officials may seek to get more leverage out of their limited funds. "We all agreed to maximize the gearing on the

amount of extra capital we can get," a British official said.

lem, economic growth and a plas by EC president Jacques Delors to finance the Community through the end of the century, a major assault on the currency grid coold

start on Monday, analysts said. "The market is not optimistic for a solution at the summit and that's

See ERM, Page 14

## **Bank of Japan Stands Pat Despite Slump**

By Steven Brull mal Herald Tribune

TOKYO --- Bank of Japan offirate immediately they risk having cials said Friday that further measures were not needed to stimulate apan's economy despite the fact that the bank's latest survey

showed business sentiment had sunk to its lowest level since 1975. As Japan's economy slowed and finally skidded into recession earli-

rest this year, private-sector econo-mists were quick to blame the country's highly vaunted financial madatins for doing too little, too late. Last August, officials belated-ly agreed with the criticism and commission earli-son for a cut in the discount rate, now at 3.25 percent, said Kagehisa research and statistics department, quarter of 1993, he added. Some private-sector economists responded with a pump-priming

Some private-sector economists shared his optimism that a weak package and lower interest rates. recovery would begin in the first quarter, but their views were con-But concerns are growing again that the central bank and Finance tingent on the central bank cutting interest rates further and the Fi-Ministry are underestimating the downward forces in the economy nance Ministry easing its stance toward additional fiscal stimulus. and risking a deeper recession.

"It's clear the Bank of Japan Other economists dismissed talk would prefer to err on the cautious of an imminent recovery. "The

738

to cut more deeply if the recovery fails to come in the spring of 1993." flating and is expected to continue deflating over the oext three The tankan, a qualitative survey scen as one of the best indicators of months "The BOJ is coming out with a lot of brave words saying there Japanese economic activity, was "not surprising" and gave no rea-son for a cut in the discount rate, will be a recovery in the first quar-ter, but there is no way," Peter Morgan, economist at Merrill

Lyoch Japan, told Reoters. "We're looking for a modest re-covery in the third quarter." The survey of 7,000 managers was taken in November and found

tankan shows the economy is de-

that sentiment had sunk to its lowest level since the first oil shock induced a recessioo in 1975. The diffusion index, the difference between the percentage of respondents saying the economy is "good" from those responding "bad," sank to minus 44 among major manufacturers from minus 37 three months earlier.

Nobuyuki Ueda, senior econo-

side," said Jesper Koll, economist at S. G. Warburg Securities. "But by not cutting the official discount erating," Mr. Koll said. "Yet the fall of tax revenues because of the deeper-than-expected slowdown officials are reluctant to accede to growing calls to cut income taxes

next year to spur consumption. "They're still resisting." Mr. Ucda said. "They need to show a more stimulatory position."

The departure of Finance Minister Tsotomn Hata, pushed aside in Friday's cabinet reshuffle, may only strengthen ministry bureau crats opposed to further stimulus, though. Mr. Hata, an influential bodgn. Mr. Hara, an influential politician, will be replaced by the less flamboyant Yoshiro Hayashi. "The basic policies will not change dramatically," Mr. Ueda said. "Fiscal policy is dominated by the very powerful bureaucrats —if not easy for any individual to

-it's not easy for any individual to make basic changes."

Still, if the economy continues to sputter in the first quarter, he said the ministry may be forced to act. Alitalia Says It Has Won Stake in Hungary's Malev

ROME — Alitalia SpA said Friday that it was buying a stake in Malev Hungarian Airlines Rt., which would be the ftalian state. controlled airline's first equity holding in a foreign carrier.

Alitalia was competing with the German carrier Lufthansa for the stake in Maley, which needs money to modernize its fleet. The sale is part of the Hungarian government's privatization program. (Page 15)

"We won the bid," an Alitalia spokeswoman said. "Thirty-five percent of Malev was up for sale and 35 percent was sold." She declined to say if Alitalia had purchased the whole stake or if other buyers were also involved.

Officials have declined to comment on news reports that the winning bid would be worth between \$70 million and \$80 million; more money than a consortium led by Air France paid for a 40 percent stake in CSA, the Czechoslovak carrier.

Fuller details of the Malev deal are to be released at a new conference in Budapest on Tuesday, British Airways and KLM Royal Dutch Airlines had showed

interest early in the bidding for Malev but soon dropped onL

Malev boosted its pretax profit 57 percent to 2.09 billion forints (\$25.9 million) in 1991. Sales rose 29 percent to 22.55 billion forints.

**CURRENCY & INTEREST RATES** 

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mist at Long-Term Credit Bank of Japan, said it was probable the Bank of Japan would cut the dis-count rate later this month or early , but the main impsychological. A ion to 2.75 percent ed in the financial y a cut to 2.50 perthe markets. than the rate out-

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#### INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, DECEMBER 12-13, 1992

### U.S./AT THE CLOSE

**Data Show Growth Without Inflation** 

NEW YORK (IHT) - Retail sales and confidence data for November

indicated Friday that consumers were soll powering the U.S. economic

recovery, which was chugging along with low inflation. The Commerce Department said retail sales rose 0.4 percent in

November and that October was stronger than previously reported. Sales,

growth was revised upward 1 percentage point, to 1.9 percent, the

At the same time, the University of Michigan's preliminary survey of

consumer confidence for December shot up to 91.4 from 85.3 in Novem-

ber. This surge in optimism added weight to the belief that the recovery

would be sustained and oot fail off as it has twice in the past two years, said Edward Yardeni of C.J. Lawrence & Co. He said real consumer

spending could rise as much as 5 percent this quarter, pushing up

The consumer price index, meanwhile, rose 0.2 percent last month. The core rate, which excludes food and energy, rose 0.3 percent, and it was held down by slow growth in housing costs reflecting low house prices and rents.

"The Fed must love these data. They show the economy is recovering and inflation is not," said Ward McCarthy of Stone & McCarthy

Mellon Buys Bank, Plans Stock Sale

### MARKET DIARY

## **Storm-Tossed Street Ignores Strong Data**

Compiled by Our Staff From Disparches NEW YORK — U.S. stocks shrugged off fresh positive news about the economy and closed lower Friday for a third straight session. The Dow Jones industrial aver-

age declined 8.11 to 3,304.08. De-clining commoo stocks outnum-

N.Y. Stocks bered advancing issue by 8 to 7 on the New York Stock Exchange.

Trading totaled 166 million shares on the Big Board. Trading was less active than usu-

al because of bad weather. "The storm in the Northeast definitely affected the market," said Ricky Harrington, director of investment policy at Marion Bass Securities. The severe storm lashed buildings and flooded roads and shore-

lines along the East Coast. With many traders unable to get to work because of commuter-train disruptions and bus delays, trading in U.S. Treasuries was ended at I

P.M., about four bours early. The New York Mercantile Exchange, where oil futures are trad- ates gaming riverboats in lowa and ed, opened an hour late.

forced several brokerage firms to share. Haggar, the meo's suits and evacuate their offices. slacks manufacturer, rose 2% above

concerns about the earnings outlook and negative comments from leading analysts on Wall Street. The Nasdaq composite fell the last three days after rising 16 percent io the past two months.

> The economic news remains positive. The Commerce Department said retail sales increased 0.4 per-

cent in November. The University of Michigan said consumer confidence rose to its highest level since April 1990. In addition, inflation is low. The Labor Department said consumer prices rose 0.2 perceot in November.

Novell slumped 34 to 2712 after several Wall Street analysts lowered ratings following the company's release of disappointing

fourth-ouarter earnings. Microsoft declined 2% to 86% on reports that antitrust lawyers at the Federal Trade Commission may seek B court order barring the soft-

Homesin Maybel IBM PhilaEli NiSemi Imcero RJR Na Gtech n Smithin Limild Shaws Chrysir PhilMr Merck s ware maker from certain sales praclices President Riverboat, which oper-

d opened an hour late. Mississippi, rallied 6 above the Flooding in lower Manhattan company's IPO price of \$18.50 evacuate their offices. The Nasdaq Combined Compos-ite index fell 3.15 to 655.78. The slide was led by Novell Ioc., Micro-soft Corp. and Intel Corp. amid \$23,50. (Bloomberg, Reuters) Hinav Hasbro s Saga un ExaLA Amahi EchoBy Us Bio s JonBell NY Tim ChDevA AFrai

### ERM: More Intervention Is Needed

(Continued from first finance page) Dealers in New York estimated that the Bank of France spent around 30 billioo frances (\$5.6 bil-ERM," said Peter Guttmann, selion) in nior research manager at National defend Westminster Bank. said the

The Bundesbank president, Hel-mun Schlesinger, expressed doubt about the Community's goal of thin maa monetary union.

In a speech prepared for delivery in Thailand, Mr. Schlesinger said

#### Foreign Exchange

the goal of having a single currency by 1999 was "rather ambitious," adding that only two to three countries - Germany oot among them

- currently met the ecocomic standards for currency unioo. He also called on other Community states to give their central banks iodepeodence, modeled oo the Bundesbank.

Mr. Schlesinger had belped stoke pressure within the exchange-rate mechanism oo Thursday by ruling out any chance of a quick cut in German rates. Those rates were the main factor driving the pound and the lira out of the exchange-rate mechanism, and forcing devalua-tions by Spain, Portugal, Sweden and Norway io recent weeks.

An analyst at IDEA in New York said the Bundesbank interactively on Friday to demonUnchanged Total Issues

This contrasted markedly with were reported to have risen 0.4 pergain was revised sharply higher to



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with British Steel and the Italian steelmaker Ilva.

sunaries, which account for two-thirds of its revenue of 7.1 billioo DM a year, were still profitable and were not affected by the bankrupt-cy move.

Dow Jones Averages	EUROPEAN FUTURES	
Oven High Low Lost Chg. Indus 3304.00 324.07 3280.85 3004.06 - 6.11 Trans 1413.55 1422.61 1484.47 1411.54 - 322 UIII 21833 23700 21724 219.34 + 0.47	Close High Low Prev. Close	High Low Last Settle Chige Mer 18.27 18.05 18.05 18.05 - 0.14 Apr 18.10 18.25 18.05 18.05 - 0.14
Ulli 218.33 77000 21724 219.33 + 0.47 Come 119357 1201.45 1185.86 1193.87 - 124 Standard & Poor's Indexes	U.S. Doliors per metric ton-lots of 58 tons Mar 185.46 187.00 184.06 184.06 183.40 185.40 May 187.08 190.00 184.00 184.00 187.08 189.00	Marr         18.07         18.05         18.07         18.07         18.07         18.07         -0.12         Jun         12.26         18.20         18.20         18.07         -0.12         Jun         12.26         18.20         18.20         18.07         -0.12         Jun         12.26         18.20         18.20         18.07         -0.12         Jun         18.25         18.07         18.07         -0.12         Jun         18.25         18.20         18.20         18.07         18.07         -0.12         Jun         18.25         18.07
High         Low         Close         Chive           Industrials         509,51         507,84         508,16         1.23           Transo.         300,85         359,24         359,37         1.13           Unlimites         156,13         155,20         354,37         1.94           Finance         39,54         379,25         34,41         -0.13           SP 500         434,44         432,44         42,74         -0.17           SP 100         396,83         395,43         396,46         -0.67	Oct         Iailul 17140         N.T.         N.T.         IAILUL 17140         IAILUL 1	E4, Soles 43,82, Prev. soles 33,684. Open Interest 101,873 Liffs prices were not evaluable for this edi- tion because of transmission problems. Socres: Resters. Matti, Associated Press, Int'l Petroleom Exchange.
NYSE Indexes	Jul 1005 1007 1019 1005 995 996 Jul 1005 1007 1014 1005 995 996 See 1014 1007 1014 1013 995 1000	Spot Commodities
High         Low         Close         Chipe           Composito         238.40         228.41         238.43         - 0.34           Industriais         274.57         244.45         7 44.45         - 0.40           Transo.         210.44         209.93         20.95         - 0.40           Ullilities         103.13         102.77         103.13         + 0.27           Finance         195.07         194.69         194.69         - 0.42	Jan 1020 1045 N.T. N.T. 1015 1025 ESI. Soles 2,764. High Low Close Chipe WHITE SUGAR (Math?) Dollars per matrix lon-lats of 50 tons Mar 250.05 240.03 249.70 250.50 + 0.62	Commodity         Today         Prov.           Auminum, ib         0.547         0.541           Corrise, Erroz, ib         0.64         0.59           Concer electrolytic, ib         1.163         1.163           Iron FOB, ton         0.322         0.22           Laad, ib         0.32         0.32           Silver, frov cz         3.765         1.463           Silver (bilicta), ton         47.00         37.00           Silver (bilicta), ton         47.00         3.310           Tin, ib         1.629         3.3310
NASDAQ Indexes	AUG N.T. N.T. 252.00 257.50 + 0.42 Oct 244.00 243.50 243.00 244.50 + 0.32	Steel (scrop), for 8183 8183 Tin, ib 3.8399 3.8310
Hish Low Close Chee Composite 551,97 654,59 455,77 - 1,14 Industrials 785,87 751,51 752, 70,346 - 5,10 Finance 751,35 751,51 752,33 - 1,22 Insurance 771,47 757,14 771,94 + 1,41 Utilities 771,48 71,127 71,34 + 1,41	Est. soles 234. Prev. soles 857.	Zint rb 0.51 0.515 Dividends
Utilities 719.68 711.67 719.87 + 4.37 Bonks 519.53 514.74 518.20 + 0.21 Transo. 624.98 620.04 623.37 Unch.	Metals Create Providers	Company Per Ant Pay Rec
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High Low Clese Charge 343 35 393.06 393.36 + 0.99	Sect 1243.03 1205.50 1191.06 1192.00 Forward 128.00 127.00 1214.07 1215.08 COPPER CATHOOES 1 Nigh Groude) Starting per metric lon Soci 1377.00 1401.00 1400.00 1401.00 Forward 1425.00 1424.00 1425.50 1426.00 LEAO	INCREASE 0 Pat Amer Find 0 -11 14 1-15 12-31 Drandard Resister 0 -14 3-12 2-26 INITIAL
Dow Jones Bond Averages	LEAO Sterling per metric ton	First Fedi Brico04 Vi 1-4 12-21 Ouplilly Prods02 2-15 12-31
Close         Chryse           36 Bonds.         100,14         + 0,12           10 UNINTers         102,12         - 0,03           10 Industribits         104,15         + 0,29	Steriling per metric ton Doot 287,00 298,50 294,40 295,00 Forward 298,50 294,00 304,00 305,00 NICKEL Dollars per catric ton Soot 5455,00 5765,00 5468,40 5465,00 Forward 5770,00 5765,00 5464,40 5765,00	SPECIAL Reliable Fini Cono00 1-15 12-24 Trans Technology - 1.00 12-30 12-21 USUAL
Market Sales	Dollors per metric tas	AL, Laboratories Q. 64 in 1-5 12-22 Airlease Ltd Q. 48 2-15 12-31 Allied Capital Q. 20 12-31 12-21 Asptat Investors
NYSE 4 p.m. volume         164.450.000           NYSE arov, cons. close         770,271.300           Armex 4 p.m. volume         14,356,952           Armex r prav. cons. close         20,546,400           NASDAQ 1 p.m. volume         21,346,400           NASDAQ 1 p.m. volume         21,347,000           NASDAQ 1 p.m. volume         21,347,000           NYSE volume 100         65,352,700           NYSE volume 100         65,352,700           Arnez volume 100         7,952,445           Arnez volume 100         7,952,452           Arnez volume 100         7,952,452           Arnez volume 100         2,959,270	Sect.         577200         578200         578200         588209           Forward         385200         388209         385200         588209           Z2INC [Speccel Night Grade)         585200         586209         586209           Dellars Per metric fun         5601         105200         105200         1054.00           Sect.         1059.00         1059.00         1052.00         1054.00           Forward         1059.00         1059.00         1052.00         1052.00           Inclustrials         1059.00         1059.00         1059.00         1059.00	A.L. Laboratoris         Q.M in         1-5         12-22           Allrecase Ltdi         G. 49         25         13-31           Alled Cashital         Q. 20         23-31         12-21           Asterst Investors         G. 34         2-11         12-31           Berg Laboratoriting         G. 34         2-11         12-32           Berg Laboratoriting         G. 34         2-11         12-32           Damers & Moore         -16         1-42         12-22           Generati Res Chem         O. 46         1-15         1-11           Herchack Fabrics         Q. 48         1-15         1-11           Jones Amedical Ind         G. 42         1-21         12-22           Laborit Lionni Ltd         O. 42         12-12         12-32           Millinois Feadrics         Q. 48         1-15         1-11           Jones Amedical Ind         G. 42         1-4         12-21           Laborit Lionni Ltd         O. c232         1-4         1-32-32           Laborit Lionni Ltd         O. c232         1-15         1-33-31
	Nigh Low Lost Settle Cirge GASOIL (IPE) U.S. doilars per aveiric los-lets nt 100 tens	Illinois Power Co.         32         32         111           Jones Medical Ind.         G. 22         14         122           Caster Corp.         0         23         14         122           Land Lanni Lite         0         235         14         15         15           Land Lanni Lite         0         235         14         15         15         15           Marso Soptem Corp.         0         23         14         12         14         12         14         12         14         12         14         15         14         15         14         12         14         12         14
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Strike         Calibility         Period Dec.         Jan         Feb         Mor           345	Compiled by Our Staff From Disp CHICAGO — Centel Corp.'s o	owners ac- tance, local and cellula
	cepted Friday, by a slim marg	in, Sprint 1 crms of the deal red

#### WASHINGTON (Combined Dispatches) - Mellon Bank Corp. said Friday it had paid \$151 millioo to buy about \$2.5 billion in assets of the failed Meritor Savings Bank in a transaction aided by the Federal. .15 12-24 12-1 EO 0.11 44 1-15 12-3 0 .14 3-12 2-2

economic growth up to twice as much as forecast.

sharpest growth since January.

Research Associates.

failed Mentor Savings Bank in a transaction aided by the Federal. Deposit Insurance Corp. Melloo said i) would sell about \$250 million of common stock and \$200 millioo of preferred to finance the deal, and its purchase of Boston Co. The FDIC will retain about \$1.4 billion of Meritor's assets and provide Mellon with credit-loss protection. Mellon said it would take a restructur-ing charge of about \$15 million in the fourth quarter for the deal, which will be partly offset by unrelated, nonrecurring revenue. (Bloomberg, Reuters)

#### Time Offers Hasbro-Linked Notes

NEW YORK (Reuters) - Time Warner Ioc., following up on its pledge to sell or swap \$3 billioo of assets to reduce debt, said Friday it was offering 10-year ootes that would allow investors to profit from a rise in

Hasbro Inc. stock, of which Time owns 12 million shares. Time offered \$1.5 billion face value of notes, priced at \$292.04 per \$1,000 of face value to yield 6.25 percent. The ootes can be converted into Hasbro shares at a premium of 21.2 percen) over Hasbro's closing price Thursday of \$33. The shares fell \$7.5 cents Friday to \$32.125.

If Merrill Lynch'& Co. exercises an option to buy an additional \$151.5 millioo of the notes, Time's proceeds from the issue will be \$480 million.

#### For the Record

Bohar Pharmaceutical Co., which paid a record \$10 million fine after pleading guilty to selling adulterated and mislabeled generic drugs, said its president and co-founder, Lawrence Raisfeld, would resign effective Jan. 31. (AP)

## **Centel Shareholders Narrowly Approve Sprint Deal**

#### Compiled by Our Staff From Dispatches

CHICAGO — Centel Corp.'s owners ac-cepted Friday, by a slim margin, Sprint Corp.'s \$3 billion stock-swap takeover offer, although two big shareholders said they would challenge the result.

Based on preliminary results, Centel said holders of 43.2 million shares, or 50.5 percent of its 85.6 million shares outstanding, voted for the deal, which would result in the only

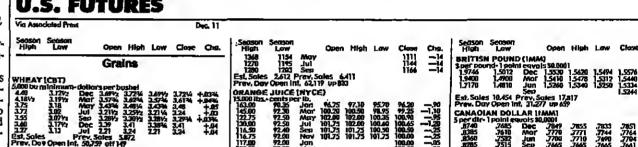
major U.S. company providing long-dis-tance, local and cellular telephone services. Terms of the deal required the holders of a majority of the shares outstanding approve the

mounted a proxy figh) in an effort to vote down the plan,

Sprint is offering 1.37 of its common shares

Centel's stock rose 37.5 cents, to \$33.25, as

**U.S. FUTURES** 



Close Pre 786 1046 590 2472 52 19 17 N3 28 39 19 Diary

seen today certainly can't go on

Trust io Loodon, The dollar, meanwhile, also was marginally weaker in New York, closing at 1,5780 DM versus 1,5792

Japan showing business confidence at its lowest ebb since 1975.

1.9 percent from U.9 percent. "The ERM and year-end caution are conspiring to keep the dollar under wraps," Mr. Amstad said, "But he U.S. picture is getting so bright, the dollar will have to wear

30 billioo francs (\$5.6 bil- intervection this week to its currency. One dealer intervention was only "si wels during the first two the week because of the det volume but sided as	New Lows
rket volumes but picked up	Amex D

vesterda "The sort of intervention we've

Ian Amstad, economist at Bankers

indefinitely, so either the EC comes up with something at the Edin-burgh summit or the system will have to be realigned again," said

Thursday. It edged up to 123.87 yen from 123.65 after a dismal quarterly survey from the Bank of

the United States, where retail sales cent in November while October's

Close

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But other analysts said that if Klöckner, which makes around 3 million metric tons of steel a year, ceased steel production, it would

bave been better for competitors.

gan, steel analyst at Lehman Brothers International in London. Klöckner-Werke stressed that its

machine-building and plastics sub-sidiaries, which account for two-

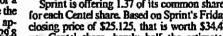
million shares, or 34.8 percent, were opposed. Eagle Asset Management and Moran Asset

to warran) a recount. The deal was controver-sial with Centel shareholders, and dissidents

controversial transaction; the margin of ap-proval was 428,000 votes. Holders of 29.8 Management said the vote was close enough

the market closed on Friday. (Bloomberg, AP)

for each Centel share. Based on Sprint's Friday closing price of \$25.125, that is worth \$34,42 per Centel share, barely half the estimated value of \$65 a share made by Centel's chair-man, John P. Frazee Jr., in December 1991.



vened actively oo Friday to demon- strate that it was not indifferent to the fate of the franc. (Reuters, AFX, AFP, Bloomberg) Bow Klöckner to remain in busi- (Reuters, AFX, AFP, Bloomberg)	Est, Soles         Prev. Soles         Support 147         116,75         92.00         Nov         101,75         101,75         101,75         100,00        25         28360         7582         Jun         7706         7707         7707         7070         7707         7070         7707         7070
	Mary 3.36 3.38% 3.35 3.37% + 04 Jul 2.20% 3.25 3.19% 2.23% + 0.3% Metals Segmark (1MM) Sep 3.26 3.26% 3.26\%
WORLD STOCK MARKETS	More Jui         1357/1         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         1377/2         137/2         1377/2         137/2 </td
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CEAA         Initiation of the sec	4.71         5.51         Juit 5.44/5 5.87         Juit 5.
Amsterdam       Angle and the start of the	SUC Over Int. 1320 (prov. 500)       SUC 1220 (prov. 500)
	12.55         Mar         21.27         Aug         21.27         -0.5         317.00         341.01         July         342.00         342.40         +1.10           21.50         18.55         Mar         21.27         71.07         21.07 </td
CBS break integral / Runner into integral / Streak /	Endug         Construct         Co
	Trial         Trial <th< td=""></th<>
AEG     147     151.50     GF-SA     60     60     Basson     720     721     700     Millson2     Millson2     Millson3     1620     160     Millson3     1620     160     Sport Arrospace     16     16       Allonia     572,579,00     Highweld Steel     2.50     3.20     3.20     3.26     8.098,500     10.27     2.07     8.47     8.00     Sport Arrospace     16     16       Allonia     572,579,00     Highweld Steel     2.50     3.25     3.25     3.62     8.098,500     10.27     Milsundia     720     720     1.24     1.30       Asis     MA     40     M.A.     40     1.25     1.23     1.26     11.26	40.00         43.55         Juil         43.55         Juil         43.55         Juil         43.55         Juil         43.55         Juil         43.55         Juil         43.65         Juil         109-20         197-15         187-16         Juil         Juil <th< td=""></th<>
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Willerich Rueck       2400       2475       2476       2475	Prev, Day Open Int. 73.35 7 up 628       94.27       90.71       Dire 17.37       70.57       72.37       -10         COCOA (NVCSCED)       91.37       70.71       Dire 17.32       72.37       72.38       72.37       72.37       72.37       72.37       72.37       72.37       72.38       72.37

## **EFTA Puts Future in Swedish Hands**

#### By Robert L. Kroon Special to the Herald Tribune

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GENEVA - The European Free Trade Association, responding to the Swiss rejection of a European free-trade area, said Friday that Sweden would take the place of Switzerland as the group's representative in a bid to complete a trade accord with the European Community by July.

EFTA put itself on a potential collision course with the Community, however, by saying it would seek a big reduction in the 2 billion European Corrency Units (\$2.5 billion) the group was supposed to contribute to spur development in Spain, Portugal, Ireland and Greece, the poorest EC members. The decision at an EFTA ministerial meet-

ing to appoint Sweden to the group's rotating six-month presidency starting Jan. 1 will al-low work to proceed "full speed ahead" on creating the European Economic Area, said Hansjoerg Renk, an EFTA spokesman.

We are now determined to negotiate the necessary changes with the Community as quickly as possible and get the agreement into force by July 1, and certainly not later," said Ulf Dinkelspiel, Sweden's incoming EFTA president, Reuters reported.

Switzerland was to have taken on the EFTA presidency in January, but the Swiss renounced the post at the opening of the group's meeting on Thursday, saying they could not carry out the job after Swiss voters rejected participation in the European Economic Area last Sunday.

An agreement to set up the area, a free-

trade zone covering the Arctic to the Mediterrancan, was initialed in April. The area was to have come into effect on Jan. I before the

Swiss vote pushed back the timetable. To meet the new July 1 target, a substantial part of EFTA's permanent secretariat will be

**Despite Swiss rejection**, EFTA is going 'full speed ahead' toward a trade area with the European Community.

transferred from Geneva to Brussels to work out a set of modifications in the EEA treaty following the Swiss defection.

The most controversial could be EFTA's demand to reduce the "solidarity fund," the group's planned contribution to the poorer EC states. Those states have come out against any reduction in the fund.

Prosperous Switzerland would have been the biggest contributor to the fund with a 27 percent share. Without the Swiss contribution, EFTA ministers said they hoped Brus-sels would accept a sharply reduced "entrance fee" into the economic area.

"If you reduce the circle, you have less money to spend and we have indications

from Brussels that they, too, think that is logical," Mr. Renk said

EFTA officials said the July 1 target also could accommodate changes that might have to be made if Liechtenstein, which has a customs union with Switzerland, also rejected the economic area in a referendum this weekend. Of the other EFTA members, Austria, Sweden, Finland and Norway have already ratified the EEA treaty and Iceland is expected to do so shortly. Jean-Pascal Delamuraz, the dejected eco-

nomics minister who spent most of this year negotiating Switzerland's proposed membership in the economic area as well as the European Community, won a consolation prize of sorts when his colleagues decided to set up EFTA's new arbitration court in Geneva. Still, Mr. Delamuraz spoke of the referen-dum result as a "self-inflicted national catastrophe, which has relegated Switzerland 10 a dead-end road in Europe." In the aftermath of the vote, which has plunged the country into a soul-searching idenuity crisis, even some of the anti-European Swiss German majority seem to harbor second thoughts. A poll by the Zurich daily Tagesanzeiger showed 63 percent of the electorate in favor of a new referendum, perhaps in two or three

"We are not withdrawing our application for full EC membership," Mr. Delamuraz said. "But it is fair to say we will have to put it into the freezer for the short and medium term. We were braced for negative reactions from our European pariners. The reaction was even more brutal than we imagined."

## **U.K. Inflation Sets Stage for Rate Cuts**

the economy, by three percentage points to 7 percent since withdraw-ing the pound from Europe's ex-Compiled by Our Staff From Dispatches LONDON - Britain's inflation

rate fell to a six-year low of 3 perchange-rate mechanism on Sept. cent in November, giving the goverament scope to cut interest rates The chancellor of the Exchequer further to haul the economy out of Norman Lamont, on Thursday its two-year-long recession, economists said Friday.

ruled out any quick reduction of rates, saying the impact of previous cuts had not yet been fully felt. But on Friday he hailed the inflation The government said retail prices fell 0.1 percent in November from October. The year to-year infigures as "very welcome news," and noted that the underlying rate flation rate was down from 3.6 percent in October and was the lowest was well within the 1-to-4 percent since a similar 3.0 percent rate was target range he set in October. achieved in October 1986.

The Treasury pointed out that underlying inflation was now be-low that of Germany for the first The underlying inflation rate, which excludes the impact of mortgage rates and is in line with figures time since 1968. reported by most other major countries, fell to 3.6 percent from Although downward pressure on

3.8 percent in October. The figures were better than anainflation was expected to bring the overall inflation rate down further, lysts' forecasts, which had been for perhaps below 2 percent, econoan inflation rate of 3.2 percent and mists say the pound's devaluation an unchanged underlying rate. "Today's figure suggests to me that the government can afford to of nearly 15 percent since it was allowed to float will push up im-

port prices. treat recovery as the main priority," said Neil Williams, senior economist at Daiwa Europe. "I don't see the Lower mortgage rates in the wake of the recent interest-rate cuts helped push the retail price index inflationary flame being rekindled until the middle of '93." down in November. The price of

motor vehicles also came down, but The government already has that was offset by higher prices on brought down bank base lending gasoline, tobacco and household rates, the key short-term rate for goods. (Reuters, AFP, Bloomberg)

Invest	or's Europ	е		
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1992	JND ~~~~~JAS 1992	OND	1992	OND
Exchange	Index	Friday	Prev.	<b>%</b>
		Closé	Close	Chang
Amsterdam	CBS Trend	104.70	105.30	-0.57
Brussels	Stock Index	5,517.07	S,558.70	-0.75
Frankfurt	DAX	1.476.01	1.494.48	-1.24
Frankfurt	FAZ	581.27	591.42	1.72
Heisinki	HEX	856.61	867.92	1.30
London	Financial Times 30	2,062.00	2.064 20	-0.07
London	FTSE 100	2,716.20	2,726.50	-0.38
Madrid	General Index	212.33	212.21	+0.06
Milan	MIB	835.00	840.00	-0 60
Paris	CAC 40	1,758.70	1,769.48	-0.61
Stockholm	Altaersvaeriden	986.24	1,006.60	-2.02
Vieona	Stock Index	340.99	544 82	1.11
Zurich	SBS	658.10	656.10	+0.30

#### Very briefly:

Sources: Reuters, AFF

Unilever NV will buy 70 percent of Slaskie Zaklady Przemysłu Thiszczowego, a state-owned Polish maker of edible fats and oils, for \$25 million in cash and assumed debt, and will invest \$14 million more over three years. Unilever bought a Polish detergent company in June.

 Guinness PLC's stock touched its year's low of 472 pence (\$7.36) before closing at 478, down 3 pence; the shares fell 47 pence on the two previous days after managers warned of weak results in the current financial year

• Kynerper Industrier A/S said the effective devaluation of the Norwegian krone would give it an unrealized exchange-rate loss of 150 million to 200 million kroner (\$22.1 million to \$29.5 million) on its 1992 accounts, mostly related to long-term dollar debt on its shipping business.

· Allgemeine Finanzgesellschaft AG's majority shareholder, the Swiss executive Klaus Jacobs, sold the company 75.000 shares in Asko Deutsche Kaufhaus AG, bringing its stake in the German retailer to 87,000 shares, or 2.6 percent.

• Dentsche Bundespost Telekom's supervisory board approved creation of Eunetcom BV, an Amsterdam based telecommunications venture with France Telecom that is to offer global telecommunications services.

· Bayerische Motoren Werke AG said a slight decline in German sales in 1992 would be compensated for by growth in U.S. demand. 1065,000 cers this year, up from 53,000 in 1991. Reduct, 4FV, Blownberg, 4FF Reuters, 4FX, Bloomberg, 4FP

Swiss to Loosen the Monetary Reins

#### Remers

ZURICH — Switzerland's independent central bank pledged on Friday to help a domestic economy mired in recession by letting money supply grow again, reversing the contraction of the past 12 months. The Swiss National Bank predicted that "seasonally adjusted central

bank money supply growth will temporarily overshoot the medium-term target in the foreseeable future." The bank said the extra liquidity should enable interest rates to fall further next year.

The central bank predicted that the economy would show no growth next year, after contracting 0.2 percent this year according to most estimates.

Over the past year the money supply has contracted by about 1 percent, bringing the SNB far from its medium-term policy, reaffirmed on Friday, of average annual 1 percent money growth over three to five years.

### BULLS: A Quiet Riot of a Year for Wall Street Stocks Hungary Bows

#### (Continued from page 1)

pension plans, which bought an average of \$3.5 billion worth of stock each quarter from 1982 through 1989, have cut those purchases in

the other hand, mutual On funds, which bought an average \$14 billion of stock each quarter in the 1980s, bave been buying at a \$40 billion-per-quarter clip in the current decade.

"During the 1980s, people who trade odd lots were net buyers on less than 1 percent of all trading days," Mr. Birinyi added. This year, that odd-lotter has been a net buyer more than 50 percent of the time." Odd-lot trades are stock transactions of fewer than 100 shares, often undertaken by individuals

A. Marshall Acuff, chief equity strategist at Smith Barney, Harris Upham & Co., said: "It became apparent by August that cash posi-tions at mutual funds had begun to grow. The money was available, and those cash levels were maintained through October. And anecdotally, I bear from some funds

they are struggling to get that mon-cy to work." ber, to its highest level since the early spring of 1991, Mr. Hines Confronted with the lowest insaid. terest rates in two decades, individuals have been shifting out of money market funds and certificates of

deposil and into stock and bond funds all year. But analysis said that investor behavior changed somewhat this fall, and that the election of Bill Clinton as president in November

had a lot to do with it. Michael J. Hines, senior vice president in marketing at Fidelity investments, said discussions with focus groups of potential investors carlier this year were strikingly sim-ilar to ones held four years earlier. What we are seeing is very reminiscent to what happened in 1988," Mr. Hines said. "What people were

doing then and did again this year was wait until they saw what hap-pened in the election. This year the percent. idea of change inherent in Clinton's victory was viewed as a very positive thing."

After the election, a monthly poll of investor attitudes conducted for Fidelity by the University of Michtheir appreciation. igan jumped 11 points in Novem-

**To Local Feeling On Privatization** 

sain. In addition to the jump in confi-dence, analysts said newspaper ar-ticles noting that smaller compa-BUDAPEST - Hungary has adopted new tools to speed sales of nies tend to do better under state enterprises that are rapidly Democrats appear to have contriblosing their value and 10 give do-mestic investors a better chance to nted to the rise in the Nasdaq's composite index in recent months, take part in privatization, officials "A couple of headline-grabbing articles haven't hurt," said Chip said Friday.

The new strategy marks a shift in Hungary's privatization drive that has until now sought to sell state Morris, an investment analyst for the \$1.5 billion New Horizons Fund at T. Rowe Price Associates. enterprises for as much money as The rise in the Nasdaq compos-lte index has been impressive since possible, primarily to foreigners.

The plan seeks to boost domestic demand hy offering better terms on state-subsidized loans, allowing October, but the recent run-up in prices of smaller companies is merely a continuation of a run that leasing deals on easy-payment began at the end of September terms and creating "credit tickets" that people can use to buy state 1990. Since then, the Dow has risen property. Lajos Csepi, managing director of the State Property by 35 percent. The Nasdaq, by contrast, has risen by more than 90. Agency, has described these tickets as a kind of credit card Hungarians

Analysts also have played a big role in triggering the rush to small stocks. Charles Clough, chief incan use to pay for state assets. It stops short of the free distribution of assets adopted by other East European countries but reflects a vestment strategist at Merrill Lynch & Co., said he believed small stocks were underpriced, despite much more liberal approach to sell-ing off state companies,

### **Usinor-Sacilor to Cut** 830 Jobs at Unimetal

#### Compiled by Our Staff From Dispatches

PARIS - Usinor-Sacilor, the French state-owned steel company, said it would give its Unimetal unit 1 billion French francs (\$185.6 million) as part of a restructuring that included the loss of 830 jobs. The capital infusion will be used mainly to develop Unimetal's

steel-production unit in the Lorraine region of France, the company said. Unimetal said it expected to cut more than 2,000 jobs between now and 1994, including the 1994 closure of its unit in Normandy, where 1,300 people are employed. The company also will close a metal-casting unit in Thionville in 1994.

The restructuring plan will include production increases at two sites to 800,000 tons a year from around 500,000 tons, and the adaptation of two factories for railway-track production.

Separately, in Geneva, leading steelmaking nations agreed after two days of talks to meet again early in 1993 to try to forge a deal that would end subsidies, the top U.S. negotiator said.

But fundamental differences remain, particularly between the U.S. and European Community positions, according to Joe Papo-vich, deputy assistant U.S. trade representative for industry.

Voluntary agreements limiting steel exports to the U.S. market expired at the end of March, setting the scene for an international free-for-all, Earlier this month, the United States imposed countervailing duties of up to 59 percent on steel from 12 countries which it said were unfairly subsidizing exports. Usinor-Sacilor was hit with a duty equal to about 26 percent of its production costs. (Bloomberg, Reuters)

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**REPUBLIC OF LEBANON REHABILITATION OF THE POWER SECTOR** 

#### PRE QUALIFICATION OF CONTRACTORS

For the rehabilitation of power, transmission and distribution facilities throughout Lebanon, the Republic of Lebanon has received a joint US\$ 110 million loan from the Arab Fund for Economic and Social Development and the Kuwait Fund for Arab Economic Development, US\$ 30 million equivalent from the Italian Government, and has applied for a US\$ 175 million from the International Bank for Reconstruction and Development (IBRD), part of which will be applied towards the costs of rehabilitation. Negotiations are underway with other donors to secure additional funding.

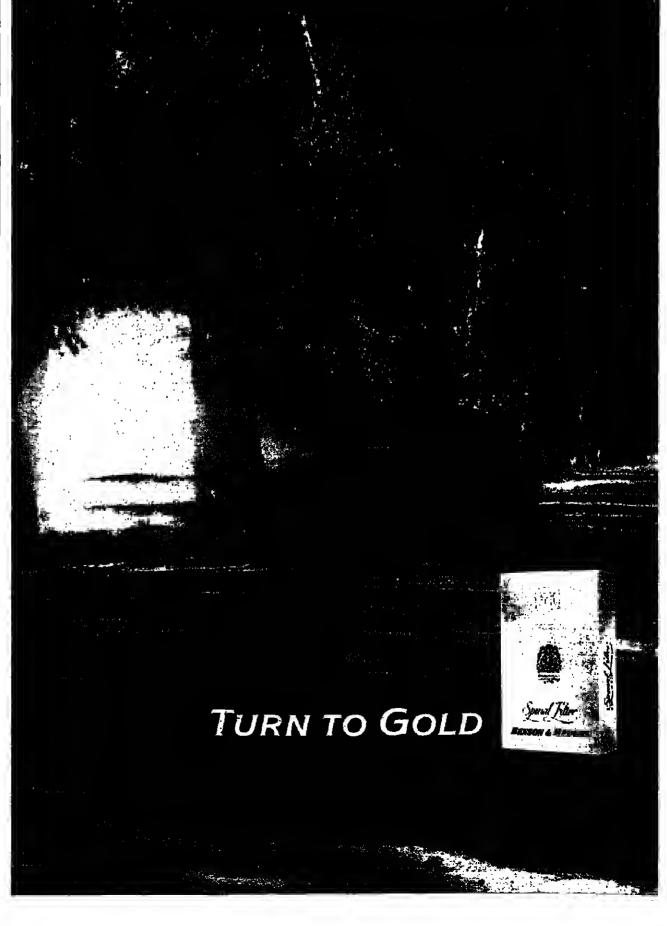
It is intended that the proceeds of the above loans will be applied to payments to pregualified contractors under contracts to be awarded for the following work packages:

- overhaul, repair and retrofitting of boilers, steam turbines and auxiliaries of the power stations of Zouk (3 x 140 MW and 1 x 170 MW), and Jieh  $(2 \times 60 \text{ MW} \text{ and } 3 \times 69 \text{ MW});$
- overhaul repair and retrofitting of six gas turbines at Zouk (4 x 30 MW and  $2 \ge 20$  MW);
- reconstruction, repair and retrofitting of 66kv/33kv/11kv substations (about 30);
- reconstruction of 150 kV and 66 kV overhead lines and underground cables;
- reconstruction, repair and retrofitting of distribution networks (33 kV, 11kV and 0.4 kV lines substations) and consumer connections.

The works will be executed under the supervision of consultants appointed by Electricite du Liban/CDR under donors guidelines.

Due to the critical and urgent nature of the work packages the times allowed for bid preparation and, later, implementation at the works will be kept to a minimum. Therefore only contractors who are capable of working under tight schedules and controls need apply for pregualification and such ability will be expected to be demonstrated during the prequalification exercise. Reasons for not prequalifying any firm or consortia need not be given and no costs associated in prequalifying will be reimbursed. Invitations for bidding will only be sent to firms or consortia which are pregualified.

The Council for Development and Reconstruction (CDR) invites contracting forum or consortia interested in bidding for all of the packages, to obtain pregualification documents from the CDR, Beirut - Lebanon that will be available by December 3, 1992. Deadlines for submission of prequalification bids with all supporting material at the CDR offices in Beirut, Lebanon is 12:00 noon on December 21 1992.



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## In China, Security **Cedes to Profits**

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WUHAN, China - China's first state-owned company to be taken over by a foreign concern has been revived by scrapping a cradle-to-grave security system for workers, and the turnaround has managers at

grave security system for workers, and the turnaround has managers at other state factories watching with envy and trepidation. "We thought the plant looked like a woman with no make-up," Cheung Pan said of the Wuhan No. 2 Printing & Dyeing Works, which her Hong Kong-based company took over earlier this year. "We knew we could change things," she said. Wuhan No. 2 Printing was a textbook model for what has gone wrong with Chinese industry. High-quality machines imported in the 1970s law idle because emineers. were too law to for them Bru

1970s lay idle because engineers were too lazy to fix them. Pay increased 10 percent to 15 percent each year even as the factory lost money. Nobody could be fired, or even disciplined. All the workers had to be housed, their children schooled and the sick looked after at factory expense. Not to mention the retirees.

Buyers could not be found for its shoddy goods, and in its last three years under state control, the factory had losses of \$5 million and relied on bank bailouts to stay afloat. In 1990, the factory was named the fourth-worst enterprise in China.

"It was bad," said Zhang Huaiyi, a Wuhan official who helped broker the deal. "Something had to be done quickly." The Shanghai-born Mrs. Cheung took charge of day-to-day man-agement after her busband's company, Hongtex Development, took over 51 percent of Wuhan No. 2 earlier this year. At a single stroke the firm more then half the work force much we the stroke she fired more than half the work force, put the rest on short-term contracts and abolished perks — smashing the so-called iron rice-bowl that protects millions of Chinese workers.

Mrs. Cheung's changes helped. She hired Hong Kong technicians to repair the machines and patch up the buildings, boosting monthly

Finding export markets in Southeast Asia and the United States through Hong Kong connections was also important. But it was smashing the iron ricebowl that did the trick.

The work force was cut to 774 from 1,920 and Mrs. Cheung abandoned the retirees and perks. — everything from theater tickets to tea money. Finally, work hours were increased from eight to 10 hours a day. Average monthly pay has more than doubled to about \$70 under an incentive system.

None of this would have been possible without a visit to southern China by Deng Xiaoping in January, when China's paramount leader decreed that market-style innovations could be spread from booming coastal areas to the interior.

Wuhan, on the middle reaches of the Yangtze river, was declared an "open city" a few months later. It can now offer tax breaks and other incentives to foreign companies.

The Hongtex deal gave an important signal to would-be investors that ideology would not stand in the way of profits. Another 30 joint

"It was a risk for us," said Lin Shouqing, head of Wuhan's Textile Bureau, which approved the sale. "But it has opened new avenues of foreign investme

About \$1 million in proceeds from the sale has gone to finance small enterprises such as restaurants and shops to employ laid off workers. More than half have been found jobs; the rest get a monthly allowance.

### **Orbital Engine Passes Emissions Test**

MELBOURNE — Australia's Orbital Engine Corp., formed to commer-cialize the two-stroke engine technology developed by the inventor Ralph Sarich, said Friday that it had passed U.S. emission-standards testing. Orbital said that the engine showed emissions below the stringent California standards, after 80,000 miles (130,000 kilometers). The California standards will be phased in across the United States between 1994-96. Last week, Orbital's American depositary receipts rose 40 percent to a high of \$20; they were trading Friday at \$18.25. In Australia, the share price at midday Friday was 3.18 dollars, up 10 cents on the day and a 28 percent increase in two weeks. Broken Hill Pty. is a major shareholder in Orbital.

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### Hyundai Acts A Boost for Thai Provinces To Cool Feud

BANGKOK - The Thai government plans to spend \$2.2 billion in the current fiscal year to redistribute wealth to rural people and will attempt to draw private-sector investment to provinces outside Bang-kok, officials said Friday.

The \$2.2 billion equals 10 percent of total govern-ment spending for the year ending Sept. 30, 1993. Of the total, \$1.8 billion will be used for projects proposed by provincial administrations and approved

by the central government, Prime Minister Chuan Leekpai and other officials said at a news conference. Provincial committees, which will include privatesector members, will decide on their own how to spend another \$280 million to develop water resources, additional income sources and environmental protection.

Municipal and district authorities will be empowered to decide how to spend an allocation designed to increase the personal incomes of provincial people. These authorities will be given \$80 million. The government bas set aside another \$40 million to create incentives so private businesses will find it

profitable to invest in areas outside Bangkok. The prime minister said private companies that invested in rural areas would win government support

for their applications for listings on the Thai stock market. leged illegal company donations to Hyundai's founder, Chung Ju Yung, the chairman's brother, who is running in next week's presidential election

Hyundai, Korea's second-largest business group, said senior officials were being hounded day and night and described the probe as govern-ment harassment to stymie Mr.

"We actually considered the shutdown of our group. But we judged it would be better to overcome this crisis, considering the fatal affects it would have on our economy," the Hyundai chairman said.

Hyundai employs 170,000 people and has 43 units, including South Korea's largest carmaker, shipbuilder and construction company. The group had total revenue of 35.6 tril-lion won (\$45 billion) in 1991.

(Continued from first finance page)

effect at the end of the year had

But in an interview, Mr. Pauly

said that East Asian exporters

could suffer significant losses if EC countries decided to head off mass

migration from economically de-

pressed nations of Central and

garia is not to send aid but to give

them market access for manufac-

tured goods by tightening external barriers against other suppliers."

This would hit directly competi-

tive exporters in East Asia, such as

China, South Korea, Taiwan and

into the Community for farm pro-

Mr. Pauly said that easing entry

"The easiest way for the EC to help places like Poland, Hungary, Romania, Czechoslovakia and Bui-

virtually no justification.

Eastern Europe.

Thailand,

ented one.

Pacific region.

such a situation would persist for a

result, "competition for scarce cap-

ital may result in some diversion of

investment" away from the Asia-

Most ASEAN nations have re-

back to normal.

promising to redistribute wealth away from Bangkok.

where per capita income growth has been far outpac-

times the national average and 10 times the per capita

the government aims to increase national per capita income from \$1,480 in 1990 to \$3,000 by the end of

In the current Seventh National Development Plan

Mr. Chuan said he would also ask government-

owned banks to open more provincial branches and

provide more loans to rural borrowers. "We have to

accept there are many constraints in the provinces," he

said. "To draw people to invest there, we need to have

"Creating jobs is the most important," said Savit Bhothiwihok, a minister attached to the prime minis-

ter's office. He said the government's Board of Invest-ment would seek ways to attract businesses to the

"Big provinces with serious poverty are likely to get more of the allocations," said Phisit Pakkasem, scre-tary general of the Office of the National Economic and Social Development Board, the government re-

concrete measures.

provinces.

income of the northeast, Thailand's poorest region.

ing that of the rest of the country for years. In 1988, the latest year for which figures are avail-able, residents of Bangkok and its suburbs carned 3.4

A backlog of exports worth 2.0 billion rupees (\$69 million) has ac-cumulated at Bombay's port and factories because of a lack of transportation The Bombay Stock Exchange in-dex, which plunged 146.64 points to 2,550.22 when the market re-

opened Thursday, dipped another 16 points to 2,534.22 oo Friday. Economists said the riots will de-

es postpone investment decisions. Also, they said a short-term rise in

lay economic recovery as business-

## **Taiwan to Open Market Door Wider**

TAIPEI - Taiwan plans to allow more foreign institutions to join its stock market as part of a financial liberalization drive, market officials said Friday.

The Securities and Exchange Commission has decided to open the market to overseas securities brokers puter makers to establish factories on the Chinese with a minimum \$150 million net value and ease application requirements for banks, insurance firms

and fund managers, the officials said. The move, which needs the approval of the central

Foreign institutional investors have channeled

\$1.44 billion in stock funds into Taiwan since the market was opened to them in January 1991, a far cry from the \$2.5 billion ceiling set by the SEC. In another development Friday, the Industrial De-

velopment Bureau said it would allow Taiwan commainland as a way of reducing their costs. Companies making software and low-end products

such as personal computers, monitors and keyboards" will be permitted to invest in China. Makers of sophis-

The move, which needs the approval of the celling of stock bank, is meant to boost a depressed market. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said. The SEC has proposed doubling the ceiling of stock investment by each foreign institution to \$100 million, the officials said.

ter, said that a single market in Europe and the planned economic integration of the United States, Canada and Mexico in a North to growth in ASEAN over the last American Free Trade Area were "a decade. serious threat" to Asian countries, However, Mr. Ho said that many

He said that even if there was no more developing countries, from Latin America to India, were discrimination against products from ontside Europe, "the elimina-tion of internal barriers will inevadopting liberal and outward-looking policies in an effort to stimulate itably help industries within the economic growth. "All of these, together with the opening up of Chi-na, point to a scramble for scarce bloc to enhance competitiveness and productivity." Mr. Abdul Ghani said that as a global capital," he said.

### With Seoul SEOUL --- The Hyundai Group pulled back from confrontation

with the South Korean government on Friday, withdrawing a threat to close after a police crackdown on its executives.

Despite certain difficulties, Hyundai will neither rest from work nor close down," the chairman, Chung Se Yung, said at a news conference.

Business circles heaved a sigh of relief, discounting carlier fears that major Hyundai units such as Hyundai Heavy Industries Co. or Hyundai Wood Industries Ltd. would close down or deliberately default on debts in protest.

Earlier this week, Hyundai threatened a stoppage after police started an investigation into al-

Chung's election prospects.

Busines

Minister P.V. Narasimha Rao to transforming Iodia's state-dominated economy into a market-ori-At a New Delhi news conferen

India Seen Getting Back on Track the renewed commitment of Prime

The Chuan government came to office in October search institute that draws up development plans.

BOMBAY - India's religious rioting has temporarily paralyzed

business and banking and pot the stock market into a tailspin, but business leaders and analysts said Friday that they expected the fallout to be only short-term as the immediate threat to the govern-

ment appeared to have passed. "Things are settling down." said Carl Saldanha, head of Chase Manhattan Bank in South Asia. "Earlier fears that the government may fall have disappeared."

duce from Central and Eastern Eu-

rope would arouse strong protests from EC farmers. But EC officials

would not be so concerned about

objections from more distant sup-

Mr. Rao said the setback to his reform program would be only temporary, noting that China con-tinued with its market-oriented overhaul after the 1989 crackdown

on pro-democracy demonstrators. "Yes, there will be some temporary setback because people will perhaps ask themselves whether

Sources: Reuters, AFI long time," be said. "It will not Very briefly: persist for a long time. It is only a matter of days before we come Still, there have been costs.

Hong Koog dollars (\$129 million). • Jananese banks increased lending by 2 percent in November from a year

lained that the ceiling approved by the Diet was far below the Fair COLL Trade Commission's proposed maximum of several huodred million yea.

domestic and foreign companies, the Xinhua oews agency reported.

\$13.53 million, from \$29.68 million in November 1991, reflecting deteriorating ties between the two nations.

Reuters, AFP, Blo

pliers in Asia, he added. ported substantial falls in foreign Opening the conference on Tues-day, Abdul Ghani bin Othman, Malaysia's deputy finance minisinvestment in 1992. Investment from the West, Ja-Compiled by Our Staff From Dispatches pan and the newly industrialized economies of East Asia - Taiwan, South Korea, Singapore and Hong Kong — has been a major stimulus

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	11. 1. 4	Close	Close	Change
Hong Kong	Hang Seng	5,253.16		-0.39
Singspore	Straits Times	1,447.57	1,442,38	+0.36
Sydney	Ali Ordinaries	1,500.70	1,501.30	-0.04
Tokyo	Nikkei 225	17,441.0	2 17,501.30	-0.34
Kuela Lumpur	Composite	635.26	633.94	+0.21
Bangkok	SET	852.61	848.54	+0.48
Secul	Composite Stock	845.70	642.03	+0.57
Taipel	Weighted Price	3,734.30	3,748.75	-0.33 [
Manila	Composite	1,232.36	1,248.84	-1.32
Jakarta	Slock index	278.58	278.95	-0.13
New Zestand	NZEE-40	1,521.82	1,515.84	+0.40
Bombey	National Index	N.A.	1,172.11	

Investor's Asia

 ADI Corp., one of Taiwan's biggest computer makers, said it planned to buy a 51 percent stake in the Hoog Kong-based trading house Tait & Co:... terms were not disclosed, but Tait is reportedly capitalized at 1 billion-

earlier, the lowest year-to-year increase ever, the Bank of Japan said.

• Japan will raise the maximum penalty on anti-cartel violations to 100 " million yen (\$806,000) from 5 million yen, officials said; consumer groups

· China will crack down on uoauthorized foreign-currency trading by

· South Korea said trade with the North fell 54 percent in November, to

food prices because of the riots could set back government efforts to curb inflation, which has been to curb inflation, which has been brought down to 8.2 percent.

 
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smen were heartened by **ASEAN:** Closer EC Union Worries Southeast Asians

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INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, DECEMBER 12-13, 1992

## **SPORTS**

## **Redskins Ready for Cowboys, But Can They Hold That Line?**

New York Times Service

COWBOYS (11-2) at REDSKINS (8-5) Key stat: Cowboys in season-opening vietory gained 390 yards against Washington and outrushed Red-skins, 174-75. Comment: Washington in its first 12 weeks used eight different offensive line combinations. In the last two weeks it has started the same offensive linemen for the first time since Weeks 7 and

8. This has helped the Redskins beat Phoenix and the Giants by a combined score of 69-13. With its line intact and at RFK, the Redskins are primed for the Cowboys. Watch the Michael Irvin-Darrell Green

#### NFL MATCHUPS

matchup. Irvin has won it easily in recent games but this time Green will get more help from safety Brad Edwards as Washington edges closer to a wild-card berth. The Redskins are favored by 3 points.

BRONCOS (7-6) at BILLS (9-4) Key stat: Broncos are being outrushed an average per game of 123.8 yards to 94.7 and have been out-scored in rushing touchdowns by 18 to 14. Comment: Buffalo has dropped consecutive games to Indianapo-lis and to the Jets and has temporarily lost the AFC home-field edge in the playoffs to Pittsburgh. When the Bills sink is shipping, it is Thurman Thomas that often plugs the gaps with his combination of running and receiving skills. Bills by 14.

GIANTS (5-8) at CARDINALS (3-10) Key stat: Giants have won nine straight vs. Phoenix; Cardinals are 2-14 in December games since 1988. Comment: Both teams have struggled all season and both have four-game losing streaks. The Giants allowed 27 or more points in each of their last four games and the Cardinals allowed 68 points in their last two games. Not much defense here. Cardinals by 4. FALCONS (5-8) at BUCCANEERS (4-9)

Key stat: Falcons are 0-6 in road games and allow more than 34 points per game on the road; Buccaneers have lost eight of nine. Comment: Atlanta is 2-3 since Billy Joe Tolliver and Wade Wilson replaced injured Chris Miller at quarterback. There simply isn't much bang in the Falcons' Red Gun offense without Miller pulling the trigger and the defense has fallen miserably puting the ingger and the detense has failen miserably in turnover production compared to last year's playoff season. Tampa Bay is playing poorly and its team unity and confidence is shot. Pick 'em. BROWNS (7-6) at LIONS (3-10) Key stat: Browns scored *s* season-high 37 points in beating Cincinnau last Sunday; Lions allowed a sea-tern high 28 meters in low to Germant

son-high 38 points in loss to Green Bay. Com These teams are going in opposite directions, with the Lions beginning to point fingers and whisper criti-cisms behind each others' backs, Quarterback Andre Ware should get playing time ewith the Lions. Expect Cleveland to play a ball-control game on offense and allow the Lions to hang themselves with mistakes, Browns by 312.

COLTS (6-7) at JETS (4-9) Key stat: Colts have 55 rushing first downs and have allowed 105; Jets quarterback Brian Nagle has completed only 49.4 percent of his passes. Comment: Iodianapolis won the first meeting by 6-3 in a woeful-ly-played game io Week 6. Both teams have beaten Buffalo in consecutive weeks and should produce allaround better performances in their second matchup. The Jets aren't a solid running team but have a clear edge over the Colts in that area, Jets by 5½.

PATRIOTS (2-11) at CHIEFS (8-5) Key stat: Patriots have allowed 61 sacks for 424 lost yards and have earned only 15 sacks worth 99 yards. Comment: The Chiefs rushed for only 17 yards in their loss to the Raiders and that simply won't do for a team built around a rushing offense. Much like New Or-leans, Kansas City is in big trouble when it can't run the ball. This isn't a problem, though, against New England. Chiefs by 16hz. STEELERS (10-3) at BEARS (4-9) Key stat: Steelers have not allowed more than 14

A Break in NFL Stalemate?

The Associated Pres NEW YORK --- More than 10 years since their last pact, the National Football League and its players are on the verge of a contract agreement featuring a form

of unrestricted free agency. The last collective bargaining agreement expired in 1987 and the players struck during the season. The strike did not work, the NFL Players Association dropped its elaim to representing the players and a bitter five-year labor stalemate followed. That impasse could end any day, according to Jim

Quinn, attorney for the players. "We have consensus on the major issues as best I can tell," Quinn said Thursday. "The parties have moved

closer than ever before to breaking the stalemate." Those issues have been identified as free agency, a

salary cap and the college draft. After an eight-hour meeting on Wednesday, both sides said some issues needed to be finalized. But the player agent Leigh Steinberg said the basic structure of a settlement fell into place and would give players free agency after five years.

losing streak. That's enough incentive for Harbangh but what about the rest of the Bears? Steelers by 3/2.

49ERS (11-2) at VIKINGS (9-4) Key stat: 49ers are 6-1 in road games and 4-0 on artificial turf; Vikings have only two victories over teams with winning records. Comment: No, said Vi-kings Coach Dennis Green, he is oot concerned that his team is 2-3 vs. teams with a winning record, with the wins over Green Bay and Cleveland. But yes, me wins over Green Bay and Cleveland. But yes, Green should be concerned with his defense doing a better job of containing Steve Young than it did Randall Cumningham. 49ers by 5. BENGALS (4-9) at CHARGERS (8-5) Key stat: Bengals have forced 31 fumbles, but have recovered only 16; Chargers allow only 86.4 rushing words new game Commark San Direct have force

yards per game. Comment: San Diego has won four straight and seven of eight. After this one, it plays at the Raiders and at Seattle. It can and should make the playoffs after an 0-4 start and can overpower the Bengals with muscle and by pressuring rookie quarter-back David Klingler. Chargers by 14. SAINTS (10-3) at RAMS (5-8)

Key stat: Saints beat the Rams 13-10 in Week 6; Rams Jim Everett has 19 touchdown passes and 11 interceptions. Comment: Saints fans were booing the offense and the Saints offensive coordinator, Carl Smith, after their 22-14 win over Atlanta. The Saints wonder wby. They have won 10 games. The problem is a boring and uoderachieving offense clamped by Smith's bot-and-cold play-calling and the Saints' over-all low-risk scheme on offense that plays not to lose. The Saints fans know this does not bode well for the

playoffs no matter how dominating their defense is. Bur against the Rams, it works just fine. Saints by 5½. EAGLES (8-5) at SEAHAWKS (2-11) Key stat: Eagles have lost five of their last six road games; Seahawks have not scored 18 or more points in any game this season. Comment: Randall Cunningham's running has been the missing element in the Eagles offense. It is the key ingredient necessary to negate the loss of tight end Keith Jackson to Miami

and to keep the other Eagles offensive weapons open

nd clicking, Eagles by 9%. PACKERS (7-6) at OILERS (8-5) Key stat: Packers quarterback Bret Farve has been intercepted eight times in 383 attempts; Oilers have scored 20 or more points in only one of their last four games. Comment: Oilers offensive coordinator Kevin Gilbride is out for three to six weeks o a cancerous kidney. He is one of the NFL's best playcallers and he will be sorely missed. Injured quarter-back Warren Mooo will assist in play-calling for Cody Carlson and the Oilers offense. Oilers by 7. seasons. Comment: Jim Harbangh returns at quarter-back and says be won't accept another weekly check (more than \$70.000) until Chicago snaps its six-game now only smoke remains. What has happened to a team once potent on offense but weak on defense that has done a near turnabout? Inconsistency in line play is a factor and not enough aggressiveness by the Miami receivers going after the ball and holding on to it have been in part the entries. Delibits the offe it have been, in part, the culprits. Dolphins by 61/2.



FIRST DOWNHILL VICTOR - Switzerland's William Besse heading toward victory and a course record of 1:59.49 minutes Friday in the season's first downhill, in Val Gardena, Italy.

### SIDELINES

#### Stich Gains Grand Slam Cup Semis

MUNICH (AP) — Michael Stich reached the semifinals of the Grand Slam Cup on Friday, defeating Richard Krajicek, 7-6 (7-4), 7-5, Stich, the 1991 Wimbledon champion, who has had a disappointing season and who has fallen from No. 4 to No. 15 in the world, used the few opportunities he was given by the Dutchman, who was seeded eighth. In a match between two big servers, there were few rallies that lasted more than three shots and few chances to break serve. Stich joins Goran Ivanisevic and Michael Chang in the semifinals, to the last quarterfinal, Pete Sampras was to play Henri Leconte later Friday.

### Johnson Seeks AIDS Suit Dismissal

GRAND RAPIDS, Michigan (AP) - Magic Johnson's attorney says that holding the former basketball star responsible for allegedly infecting a woman with the AIDS virus before he knew that he carried it would set precedent that "would wreak havoc on society."

woman filed a 52 million lawsuit against John

## Yankees Sign Key **And Mets Reach Deal With Tanana**

Bret Saberhagen, Sid Fernandez and Pete Schourek in the Mets'

"I am delighted to be part of the New York family." Tanana said.

"I'm excited to be part of a new

league and a new park. Generally

speaking, a pitcher has an advan-tage with a new league."

in 21 games for the Boston Red Sox in 1992 and 3-3 with 5.24 ERA in

16 games for the Cincinnati Reds, who released him after the season

He is 24-26 in six seasons with a

4.54 ERA and one save, which

came for the Red Sox in 1989.

Harsh Talk

For Owners

In Congress

By Claire Smith

day after Bud Selig said major

league baseball was running

more smoothly than it is gen-

erally given credit for, base-

ball's top executive and five of his fellow club owners listened to a host of U.S. congressmen

strongly disagree. Instead of hearing endorse

ments of the game's recent ac-tions, baseball owners, here to

attend the Senate's antitrust

subcommittee hearing on pro-

fessional baseball's antitrust

exemption, were systematical-

ly taken to task on Thursday.

At issue was their apparent dilution of the commissioner's

power, their scemingly arbi-trary approval or veto of fran-chise moves and their hiring

policies involving minorities.

Senator Howard M. Metz-

enhaum, Democrat of Ohio,

chairman of the subcommittee, agreed that the game was

still just that — a game. But, be said, it is also a business,

"at times cutthroat." Then, issuing the general challenge of the day, Metzen-baum said, "If this antitrust

exemption does provide some benefit to the fans and the

same, the owners are going to

Senator Patrick J. Leaby,

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New York Times Service WASHINGTON - One

Bolton was 1-2 with a 3.41 ERA

starting rotation.

W.

The Associated Press LOUISVILLE, Kentucky -Three teams came up with some pitching belp before leaving base-

ball's winter meetings. The meetings were over Thursday, but the dealing was not done. Detroit got reliever Tom Boltoo for one season at \$400,000, the New York Mets signed veteran left-hander Frank Tanana for one season for \$1.5 million and the New York Yankees got Jimmy Key for four years at \$17 million. Key, 31, was 13-13 for the World

Series champion Toronto Blue Jays last season. In nine years with the Blue Jays, he was 116-81. The Yankees came to the winter

meetings hoping to sign Barry Bonds, Greg Maddux and David Cone. But General Manager Gene Michael was frustrated each time. The Bkie Jays originally wanted

to keep Key, but withdrew their offer at the meetings. Texas was also interested in Key, but the Yan-kees had been considered the frontrunners since last week. Tanana, 39, was 13-11 with a

4.39 earned run average for the Detroit Tigers last season. He start-ed his career with the California Angels in 1973 and has a lifetime record of 233-219.

"We set out to try and find a fifth starting pitcher for several months, someone who could give us 175 innings and wins," said the Mets general manager, Al Harazin. "He has averaged more than 200 in-nings over the last 11 years."

Tanana was signed as a free agent by Texas before the start of the 1982 season and traded to Detroit in 1985. Tanana joins Dwight Gooden,

"Coach Bryant improved the quality of life in a lot of people." Stallings said of his former coach and mentor at Alabama. "It was impossible to be associated with Coach Bryant and not be affected by him.

Stallings played for Bryant at Texas A&M (1954-56) and was an assistant on Bryant's Alabama staff (1958-64) before returning to Texas A&M in 1965 as head coach. Stallings led the Crimson Tide to a 12-0 record this season. No. 2 Alabama now is poised for a chance to win the national championship if it can beat No. 1 Miami in the Sugar Bowl on Jan. 1.

PTITSBURGH (AP) — Johnny Majors returned to coach football at the University of Pittsburgh on Friday, nearly 20 years to the day after he was asked to rebuild a moribund Pitt football program under nearly the same circumstances.

"Twenty years ago, Johnny Majors was the perfect choice to become the head coach at the University of Pittsburgh," said Pitt's athletic director, Oval Jaynes. "Today, be is again the perfect choice." Majors, 57, who coached Pitt to three bowl game appearances and a

Democrat of Vermont, citing reports of racist and anti-Se-

have to prove it.'

These NFL matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's of Las Vegas.

claiming that be had infected her with HIV, the virus that causes AIDS. On Thursday, Howard Weitzman, Johnson's attorney, filed a motion in U.S. District Court in Kalamazoo, asking the judge to dismiss the suit. "What they're asking, basically, is that a court create a new form of liability that requires individuals to provide all kinds of bizarre and

detailed information about their past to their future sexual partners, Weitzman said. Johnson has acknowledged having had sex with the woman once, in June 1990. The lawsuit says she asked him to use a condom, but he refused.

Stallings Gets Bryant Coaching Prize HOUSTON (AP) — Gene Stallings, the University of Alabama foot-ball coach, was named winner of the 1992 Bear Bryant Award as the national college football coach of the year, presented by the Football Writers Association of America.

national championship from 1973 to 1976, recently was forced out after Id years as Tennessee's coach. Majors was 34-9-2 in his last four seasons at Tennessee, his alma mater. The rebuilding job Majors faces at Pitt will be nearly as challenging as the one he started in 1973, the year after the Panthers went 1-10. He went 6-5-1 and led them to a bowl the following season after bringing in 80 freshman recruits — including soon-to-be Heisman Tropby winner Tony Dorsett. Pitt was 3-9 this season.

#### For the Record

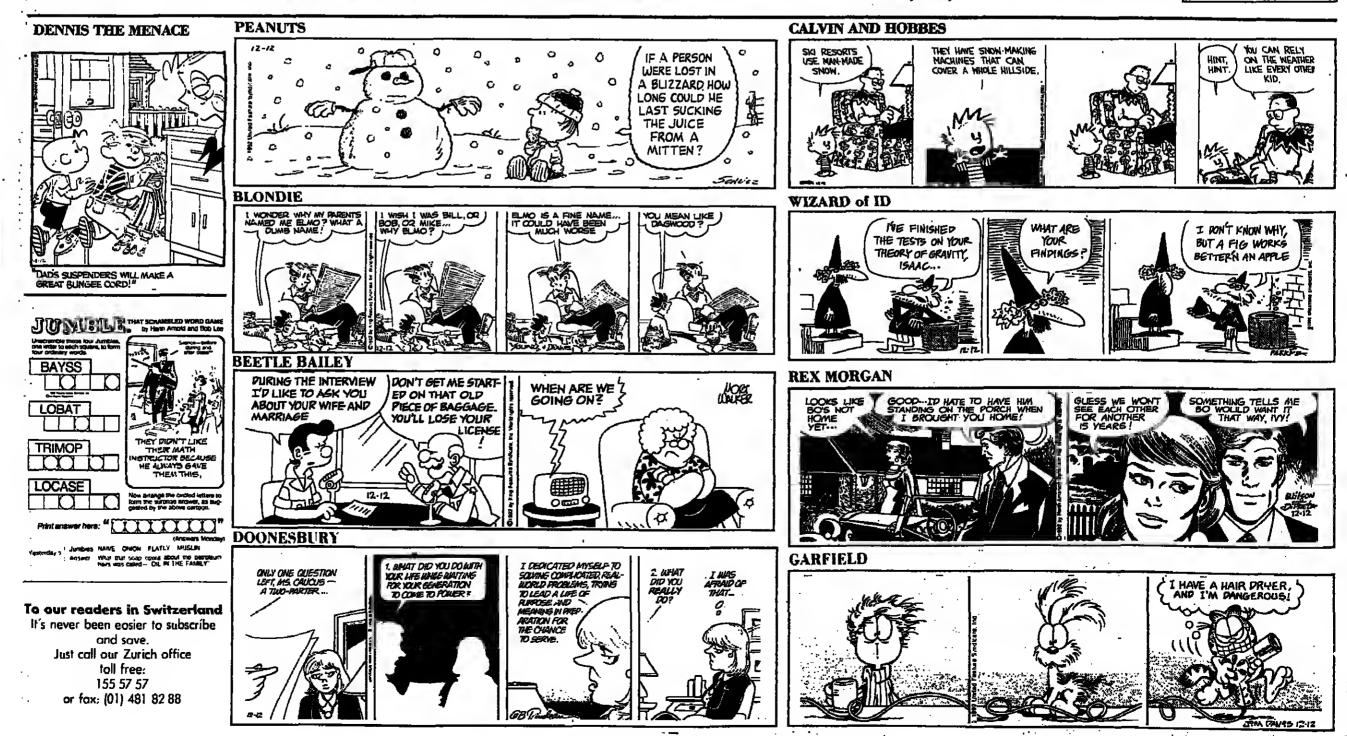
Dennis Bergkamp, the leading Dutch soccer scorer, has pulled out of the Dutch team that will face Turkey in a World Cup qualifier in Istanbul on Wednesday because of a leg injury. (Reuters) Katsuya Onizuka of Japan won a unanimous decision over Armando Castro of Mexico, the challenger, to retain the WBA light-bantamweight title on Evident in Televo

title on Friday in Tokyo. (AFP)

mitic comments by the Reds' owner, Marge Schott, the ouster of Fay Vinceot as commis-sioner, and the possibility of a second lockout in three years. picked up the theme.

"Owners have a broader responsibility than treating

baseball like an exclusive Ro-tisserie league." he said. Selig took exception to the notion that baseball intends to weaken the commissioner's of-fice in light of its forcing Vincent to resign.



Imprime par Offprint, 73 rue de l'Evangile, 75018 Paris.

# SPORTS BASKETBALL

## A Star in Italy, Kukoc Apparently Has Shelved His American Dream

### By Ian Thomsen

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TREVISO, Italy — Toni Kukoc, who at the Olympics was declaring his intention to join the National Basketball Association's Chicago Bulls next season, seems no longer in such a hurry to leave his First Division chib here, Which is a healthy attitude, since the Italians don't appear willing to let him go.

"I said last summer I would like to go to the NBA," said Kukoc, amending the statements he made while helping Croatia to the silver medal in Barcelona. "But I have a long contract here with Benetton Treviso. I signed a contract for six years, and the only way for me to leave early would be to speak with the people from Benetton if ] decide to go.

"But now I feel it is great here," he added. "Everything is O.K. The team is O.K. Mr. Benetton is a nice person. I don't think about the NBA now."

It is possible that Benetton has privately assured the 2.08-meter (6-foot-10) Kukoc of his freedom in the spring. Such secrecy would prevent this season from lapsing into a mere NBA prologue - and also would explain the sudden ambivalence expressed not only by Kukoc, but by the Bulls' general manager, Jerry Krause.

Since drafting him two years ago, Krause had hovered around Kukot like the pigeons at nearby San Marco. Now he deadpans, in response to most pertinent questions about Kukoc, "You'll have to ask Toni." Another possibility is that Kukoc won't be feeding Michael Jordan anytime soon.

It's complicated. Last summer, Kukoc was telling of how he could activate a buyout clause in his Italian contract after this season. Now his agent, Luciano (Lucky) Capicchioni, says the contract can't be bought out until

the fourth year - after the 1994-95 season.

does want to stay; or maybe he wants to go but the Buils can't match the reported \$2.6 million he cams at Benetton.

"Toni Kukoc is not my priority," said Krause, in spite of having visited Europe twice last spring to see him. "If he's available, and the timing's right, and the salary-cap situation is right, then we'll see. My concern is winning a third championship right now. I'm not going to worry about Toni, and I've told him that."

As an NBA star, Kukoc, 24, might inspire children throughout Europe to choose basketball over soccer in the warming global race between the sports.

His instincts are universal. He has led each of his teams to national, European or world championships. His shotblocking and brilliant passing make everybody happy, and he doesn't seem to care if he scores a point, although he can do that, too, from anywhere on the floor. He should be the perfect malleable complement to Jordan.

But Jordan didn't think so. He reportedly refused to

"I don't speak no Yugoslavian," he told Kranse. "I don't speak no Yugoslavian," he told Kranse. He bristled at the idea of a foreigner bringing him his first championship — and Scottie Pippen didn't like it, either, having his contract talks put aside while Kranse, for selector purposes triad to sime Kubos furt for salary-cap purposes, tried to sign Kukoc first.

Ultimately, Pippen won his raise and the Bulls won the 1991 and 1992 NBA titles, while Kukoc, in Europe, stayed up until 6:30 A.M. to watch the games live on television. Although the offers from Chicago and Benetion were similar, Kukoc said he chose Italy in order to stay near his family during the upheaval and ensuing war in Croatia. "Looking from now, maybe I made a mistake because I took the Italian championship," said Kukoc, who led Benetton to its first national title last season. "If I took the

Either Kukoc's going and he doesn't want anybody to know, or he wants to go but he can't; or maybe he really does want to stay; or maybe he wants to go but the Bulls thing to have a world championship with Chicago than thing to have a world the wo this one in Italy. But even this championship was very, very, very tough to win, and I was very happy to win it."

What was he going to do? Move to a foreign country where the only people he knew would be teammates who openly despised the idea of him?

When Croatia met the U.S. "Dream Team" in Barcelona last summer, Jordan and Pippen vowed to tie up and

'Now I feel it is great here. The team is O.K. Mr. Benetton is a nice person. I don't think about the NBA now.<sup>2</sup> Toni Kukoe

gag Kukoc and throw him in a closet. Defensively, they meant. They almost succeeded, holding him to 4 points with 7 turnovers. Since Jordan is Kukoc's favorite player, and all Kukoc wants to do is pass him the ball, the strategy

of humiliation hurt Kukoc's feelings. "Yes, a little," he acknowledged. "But a couple days after, I was a couple times alone in my room thinking about that game, and I think, after all, it's normal. They are just trying to prove to me it's not easy. I know they don't care nothing against me. They are proving to me, if I go there, I am going to work hard, Even after that game I start to think, maybe there will be another one. I wanted to play them again

He scored 16 points against the U.S. team in the goldmedal game.

Now Kukoc seems to think he could handle whatever might happen in Chicago. He will play there someday, he he could stash away future money for Kukoc. Dromise

"If I don't, it will be a big mistake," he said. "But there is enough time in my career for me to do everything."

If Kukoc asked nicely, the corporate chairman, Gilberto Benetton, prohably would allow him his leave before 1995. They are said to have a close relationship.

"One day, when Benetion or everybody feels the time has come, we'll all work it out," said Capicchioni, the agent. "Benetion doesn't want to keep everybody in jail. That's not his way."

But Benetion describes Kukoc as "the reference point of our present and our future." Therefore, the Bulls will probably be asked for more than the S2 million Benetton spent to secure Kukoc's rights from Jugoplastika-Split last year. Is \$15 million insane? That's how much Benetton gave Antifurti Ranger last year for the rights to Stefano Rusconi, a 2.08-meter center who averaged only 10 points and 10 rebounds in 30 Italian League games last season.

"It would be like us trying to say we want to sign Michael Jordan," said Benetion Treviso's general manager, Maurizio Gherardini. "Michael Jordan is the best player in the NBA. Toni is the best player in Italy. The best league outside the NBA is Italy, and this is Italy's championship team. I can't tell you how much it would cost them because nothing like it has ever happened before. What would be the price for us to get Michael Jordan? It's the same story if they want to get Toni Kukoc.

"Then," Capicchioni added, "we have to see what can Chicago offer to make it interesting. Can they only give him the minimum salary?"

making a major trade or signing this year, supposedly so

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Yet Kukoc talks as if he's willing to play out his Benetton contract before testing the NBA. Most likely it's just rhetoric, a diplomatic embrace of Gilberto Benetton. But if it's honest, then he is planning on becoming an NBA rookie at 27. By then Jordan - who will turn 30 in February - will be losing elevation. The moment will have laded.

Never mind three seasons from now, adjusting to the NBA would be hard enough for Kukoc next year. European rules permit zone defenses, so Kukoc has not been forced to learn the kind of man-to-man defense required against the likes of James Worthy and Larry Johnson, Kukoc weighs only 100 kilograms (220 pounds), although since last year he's gained about seven kilos, thanks in part to weightlifting. Still, he has yet to experience NBA fitness.

"Toni is a little bit lazy," said Petar Skansi, coach of Benetion Treviso and the Croatian national team. "He doesn't always want to work hard. Usually he is playing 40 percent of the matches under his normal level. But he knows between games for his club and the national team,

he is going to be playing 100 to 120 games a season. So everybody must permit him this relaxation." The other league won't. NBA players play more than 100 games a year — 48-minute games, eight minutes longer than games in Europe — against the best oppo-nents in the world. If Jordan is permitted no relaxation, he will permit none from Kultor. will permit none from Kukoc.

His NBA potential diminishes every year as Kukoc waits. Ultimately he must decide, contracts be damned. whether he is willing to struggle learning a new approach to the game he has already mastered.

### Seton Hall **Drops Zone** And Iona

The Associated Press Terry Dehere wasn't scoring and Seton Hall was in a zone defense. If you walked in during the first half of the Pirates' game against Iona on Thursday night, you would have had to do a double take. Dehere, who came in averagin 24.5 points per game, had 2 at half-

#### COLLEGE BASKETBALL

time before straightening things out with 16 in the second half. The No. 7 Pirates went back to a manon-man defense and took a 75-61 victory over the Gaels in White Plains, New York.

An overrelaxed Dehere made just one of five shots from the field as Seton Hall took a shaky 40-36 lead at halftime

He turned things around in a hurry in the second half, scoring 10 straight points as the Pirates (6-1) turned a 53-48 advantage into their biggest lead of the game with 8:40

left in the game. Corey Taylor led Iona (1-3) with 19 points, while Harry Hart had 15. No. 25 Nebraska 100, Creighton 83: Io Lincolo, Nebraska, Erie Piatkowski scored 21 points and Nebraska used scoring surges at the start of each half to down its intra-

### **NHL Expands to Miami and Anaheim** By Joe Lapointe [Bettman, who played a key role in NBA labor negotiations, includ-ing the institution of the salary cap,

"Our company has been in-

New York Times Service PALM BEACH, Florida - The National Hockey League voted unanimously to expand to Miami and Anaheim, California, a bold move for a sport that only months ago was in such disarray that its players went on strike for the first time and its longtime chief executive was forced to resign.

volved with hockey through Goofy and cartoons," he said. "We made a movie called 'The Mighty Ducks." At a news conference that fea-It did \$50 million box office. That tured a podium decorated with was our market research." The Miami team will be owned by stuffed dolls of Mickey Mouse and Minnie Mouse holding a videotape Wayne Huizenga, chairman of Blockbuster Entertainment Corp., of hockey highlights, the new own-ers were introduced. The Anaheim team will be

which rents movie videotapes. He owned by Walt Disney Co., which also owns the Florida Martins baseoperates amusement parks and ball team and part of the National

movie studios. Michael Eisner, chairman and chief executive offi-cer of Disney, wore a green, pupple and yellow hockey jersey based on "The Mighty Ducks," a current chises to 26, must pay the league \$50 million entrance fees. If negotimovie his company made about a ations proceed rapidly, the new children's hockey team. He wore a red hat that said "Coach Goofy."

teams could play next season.

league on Friday, United Press In-ternational reported, or four years. And it took steps to curb fighting and stick fouls.

A 'Humiliating' \$3 Million Title Bout?

International Herald Tribune Lennox Lewis of England will decide dur-

ing the weekend whether to accept a "humili-ating" \$3 million offer to fight Riddick Bowe, the world heavyweight boxing champion, in April in Las Vegas. The adjective "humiliating" — and many

others -- comes from Lewis's manager. Frank Maloney, who favors spurning the offer and accepting instead the World Boxing Council championship, which will be

minute Riddick Bowe's hands went up in Las Vegas that we were in trouble. Bowe knows if he ever fights Lennox Lewis again that tight hand is going to land on his chin."

"Normally people treat English boxers like jokes," he added, "they're queneing up to knock them over. For the first time in history we've got an American heavyweight champion running scared of an Englishman."

The champion's manager, Rock Newman, has indicated that Lewis and Bowe should wait until dour ne ALCIZ BIC giving their bout more earning power. Lewis doesn't want to wait. To become the top contender, he took a major risk in fighting Razor Ruddock, knocking him out in the second round.

"They offered us \$3 million, believing we'd turn it down," Maloney said. "The problem is, Rock Newman is becoming the star instead of his fighter. I don't really believe anyone who could win the beavyweight championship of the world could be a coward or a chicken. Rock Newman is the coward."

"He used to be some crummy radio DJ," Malonev continued, "and now he's got a job that he thinks is the equivalent of being the president of America. He doesn't want to

becomes the first NHL commissioner since John Ziegler was forced to resign in June.] This week's developments will The decision on Thursday result- conclude a year of strife and ed in the temporary putting aside change for the league. At the end of of other issues being debated by the the last regular season, the players

owners in their weeklong conven-tion, including weeklong conven-players to play in the 1994 Winter dy. Partly as a consequence, Ziegler Olympics in Lillehammer, Norwsy. [Gary Retiman, 40, vice presi-dent and aspectal convent of the more The learner thrush still with dent and general counsel of the moves. The league, though shill with-National Basketball Association, out a major network TV contract. was named commissioner of the returned to ESPN after an absence



stripped from Bowe if he fails to defend his title against Lewis.

"Lennox wants to take the \$3 million and fight Bowe," Maloney said Friday from his office in London. "I'm trying to talk him ont of it, because that's my job. It's a husiness decision. Gone are the days of fighting for the honor of it. He did that the last time, when he knocked Bowe out in the Olympics."

That 1988 victory in the super-heavyweight final in Scoul is the explanation for Bowe's avoidance of Lewis.

Said Maloney of Bowe's victory last mouth against the undisputed heavyweight champi-on, Evander Holyfield; "We knew from the

Lewis's problem is bargaining power. howe doesn't seem to care about losing the WBC belt, and Lewis doesn't have the name recognition - or, as an Englishman, the credibility, in spite of his defeat of Ruddock promotion for Bowe.

fight Lennox Lewis, because his fighter will lose, and then he'll become plain old Rock Newman again. Nobody will want to talk to him because he's a lump of (expletive), that's all be is. He's like Hiller. He's a megalomaniac. He wants control over everything."

If Lewis is awarded the WBC title, Maloney said the fighter would defend it against a top five contender. In order to win credibility, he said, the fight would be against an American, in the United States.

"We won't look for a pushover," Maloney said. "We will accept the WBC belt and wear -IAN THOMSEN it with bonor."

. .

BATTLE OF EX-HOYAS - The former Georgetown centers Patrick Ewing, left, and Alonzo Mourning contesting a rebound in the Charlotte Hornets' 110-103 overtime victory over the Knicks in New York. Mourning outrebounded Ewing, 17-9, but Ewing outscored Mourning, 28-22.

Piatkowski scored nine of his points in the first five minutes as Nebraska (4-0) jumped to a 12-6 lead. Center Bruce Chubick, who started in place of the injured Derrick Chandler, triggered the secnod-half surge, scoring six of Ne-hraska's first 11 points as the Huskers led, 53-38, with 17:12 re-maining, Creighton fell to 0-3, No. 11 Okiaboma 92, South Cardina 76: In Norman, Oklahoma, the Sooners (4-0) used a full-court press to force 35 turnovers, which negated 52 percent shooting hy the Gamecocks (1-4).

#### SCOREBOARD bounds-Washington 46 | Ougliarita, Eilison 8), Uitah 61 (Cartain 13). Assista-Washington 27 | Adams 81, Uneh 33 | Stockhen 191. | Jadiata 26 27 25 22-166 Sacromento 26 27 25 22-166 Sacromento 26 34 16 29- 97 Schrempf 16:19 4-52, Smits 9-14 3-2 20; Th-dola 11-23 10-11 32; W.Williams 4-13 1-3 15, Re-besends-Indiana 64 (Schrempf 12), Sacro-mento 46 (Titzabet 94). Assista-Indiana 84 (Schrempf 14), Sacromento 22 (Richmand 9), subhusanice 21 42 4 13-162 11 14 4 24 194 118 18 18 2 27 194 118 gool-New York (an Belfour) 4-10-6-22. Chi-cayo (an Healy) 10-13-7-30. La Salle 43, James Madigon 70 Manmauth, N.J. 65, George Maz Northeastern 73, Howard U. 31 Setan Holl 75, Jana 61 HOCKEY St. Louis Tomas Bay CRICKET TRANSACT ONS. BASKETBALL Genetic 2 1 3-5 Les Angeles 1 1 2-4 Ricci (10), Hunter (31, Kovalenko (13), Molan (17), Ruchasky (61; Granato (13), Millen (17), Stats on pad-ula (17), Ruchasky (61; Granato (13), Millen (17), Stats on pad-Quebec (10) Hunter (15), 21-10 1 NHL Standings BASEBALL THIRD ONE-DAY INTERNATIONAL 19 8 3 41 139 107 17 9 2 24 128 29 16 10 3 28 114 45 11 15 4 26 85 121 6 15 3 19 88 105 5 23 3 11 81 143 NBA Standings Los Angeles 107 South Africa vs. Ladia Fridoy, la Pretorio, South Africa In Africa's Innings: 214-5 155 overs1 American Leoper BALTIMORE-Re-Saned Brian Oubles, pilcher, to micor-leopue controct, and signed Edgor Alfonzo. infielder, and Rafgel Choves. Vancouver Colgary Edmonton SOUTH Sou I H Cotar 54, Composite 48 Delaware 81, Delaware 52, 64 Louisiana Tech 82, Centenary 69 Maryiana 49, American U. 67 Md.-E. Share 66, Saliabury 52, 80 WALES CONFERENCE L T Pts OF GA EASTERN CONFERENCE billink to make leave contract, and signed Edgor Alfanzo. Infleter, and Refeel Choves. billink, is minor-leave contracts. KANSAS 611Y-AcQuirted Mike Guerrero, shortstos, from Milwoukee for Carlos Mai-donada, pitcher, and assigned Guerrero to Omaha. A A Arreed to minor-leave con-tracts with Nelson Sontownia and Paul 441-liams, catechers; Keith Brown and Enrique Burgos, pitchers; Russ McGinnis, first base-man-Mird baseman-colcher; Sil Cambusano and Mike While, utilisloers, and assigned Santovenio, Brown, McGinnis, Cambusano and Burgos to Omaharand Williams and While to mathen to sufficients. In a salened Santovenio, Brown, McGinnis, Cambusano and Burgos to Omaharand Williams and While to mathena cross checker, Named Jerry Ter-rell, Herb Ravbourn and Frank Bacz scouts. National Leave CINCINNATI-Agreed to minor-leapue contracts with Tray Afenir and Brian Darsett, cotteners; Gary Green, intelder: and Jelian Darsett, cotteners; Gary Green, intelder; and Jelian Dapabls, AA. 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Illinois 75 16 Division 16 6 4 40 125 18 8 2 36 117 Mantreal [Switz] 1:59,41 minutes; 2, Jan Cinar Thomen (Norwov) 2;00,8; 3, Potrick Orfileb (Aus-hriol 2;00,8); 4, Urs Lehmann (Switz) and Leonhard Stock (Austria) 2:00,23; 6, Franz Heinzer 15witz] 2:00,41 7, Alle Skogradei (Norwov); 2:00,48; 8, Hei-mut Hoffehner (Austria) 2:00,47; 10, Honnes Trinki Laverhaury) 2:00,74; 10, Honnes Trinki Boston Quebec Buffalo Hartford Wis-Green Boy 89, Beth **Central Divis** 12 5 .706 18 5 .506 18 6 .526 9 8 .529 10 9 .526 6 15 .444 6 9 .600 10 2 35 130 122 Edmonfor 8 1 2-3 Miscante 1 1 0-3 Von Allan (1), Tikkanen (2), Corson (3): Modune (13), Dohine (10), Stehe en gest-Ed-mentan (on Casey) 5-12-5-22. Minnesofo (on Rontord) 17-7-13-37. SOCCER SOUTHWEST Oklahoma 72. South Carolina 76 Sam Houston St. 105. Texas Westerran 7 Stenhen F.Austin 75, Texas Southers 68 Texas A&M 85, S. Alabama 77 21/2 21/2 3 4/2 5 Major College Scores 13 18 24 128 EAST Saston College 72. Fairleigh Dickins Constol Cartelina 85. 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Paj 1

**DAVE BARRY** 

## Language Quiz

M IAMI — It's time once again for "Ask Mister Language Person," the only language column that is endorsed by both the Ameri-So-and-So is "the most underrated left tackle in football," and So-and-So is "the most underrated substitute left outside nickel-defense corcan Association of English Profesnerbacker in the Central Division." sors AND Cher, This column pre-My question is, who underrates sents answers to common reader these people?

questions about grammar, vocabu-A. This is done by computers. lary, punctuation and, when they are in season metaphors. These questions are not "made up." They are authentic re-enactments of actual questions taken from police files.

Q. What is the correct grammati-cal usage of "being as how"? A. This is an adenoidal phrase

that is used when a person needs to explaio a decision regarding an is-sue such as sandwich allocation.

EXAMPLE: "Earl gets the egg salad, being as how he dropped it in the bait.'

Q. Please tell me which is cor-rect: "Bud, you should never of fed them taffies to the dog," or, "Bud, you never should of fed them taffies to the dog." A. According to Strunk & White.

it depends on the context. Q. The context was a brand-new

Bar A. Whoa.

Q. I am thinking of seeking a high-paying job and would like to develop a Power Vocabulary. What do you suggest? A. The Academy of Big Words

recommends that, in husiness situations, you should, whenever possihle, use the words "erstwhile" and "penultimate," as follows: YOU: Mr. Johnson, that there is

a ERSTWHILE tie you got on. MR. JOHNSON: You're hired.

YOU: Another big word 1 know is PENULTIMATE.

Q. Please repeat what you heard a woman say recently to the cashier at a gas station.

A. She said: "Do you have any of those cheap genetic cigarettes?

Q. Speaking of true quotations, please repeat the statement that Sonda Ward of Nashville swears she heard made by a man expressing concern to a woman who had been unable to get a ride to a church

A. He said; "Estelle, if I'd a knowed you'd a want to went, I'd a

seed you'd a got to get to go." Q. I notice that football announc-ers are always talking about how

Q. My question concerns the nuto, My question concerns the nur-sical group Archie Bell and the Drells, who performed the 1968 hit "Do the Tighten Up." When group members get asked what they do for a living, do they answer, "I'm a Drell"? Do their business cards say: JOHN SMITH

Drell

Do they have career assirations? Do they say, "Well, sure, TODAY I'm a Drell, but if I do well on my I'm a Orell, but if I do well on my exams, I hope to become a Pip, or even a Famous Flame"? Also, if you're introducing somebody to one of the Four Seasons, do you just say, "This is Leonard; he's a Sea-son"? Also, whatever happened to the Swinging Medallions, who sang the 1966 hit "Double Shot of My Baby's Low""?

Bahy's Love"? A. They are available. Give them

O. What is the purpose of the

A. It can be used to either (1) separate two independent clauses, or (2) indicate an insect attack. ÈXAMPLES:

(1) "Well, I'm a clause that cernly doesn't need any help!"; "Me either!"

(2) "Be careful not to bump into Ibat :::::

Q. Please explain correct usage of the expression "by and large." A. It is used as follows:

"Earline, I swear on my mother's grave that I oever, ever cheated on you, by and large." "Read my lips, by and large."

TIP FOR PROFESSIONAL WRITERS: In writing a novel, be sure to include Character Develop-

ment WRONG: "Brad gazed into Marsha's eyes." RIGHT: "Brad gazed into Mar-

sha's eyes and noticed that she oow had three of them,"

GOT A QUESTION FOR MIS-TER LANGUAGE PERSON? It is best not to tell anyone.

Knight-Ridder Newspapers

WEATHER

By David Stevens International Herald Tribune

DARIS - Fifty years and a few days ago, a 20-year-old I soprano, a daughter of Russian immigrants and fresh out of New York's Hunter College, made a startling operatic debut as Verdi's daunting Lady Macbeth.

Two or three careers later, Regina Resnik is celebrating that half-century anniversary in various ways, but without looking back and without having left the stage. Earlier this year, she played and sang the acerbic Madame Armfeldt Sondheim's "A Little Night Music."

On the surface, that 1942 "Macbeth" debut might have seemed rash, but its auspices argue otherwise. The New Opera Company was a short-lived experiment that had as its music director Fritz Busch, who had made operatic history both in Dresden, from which he had been chased by the Nazis, and in the early years of the Glyndebourne Festival, suspended by the war. In short, Busch was a man likely to recognize solid vocal training and a natural theatrical temperament when he found them.

"Great things began to happen to American singers at about this time," Resnik recalled during a Paris stopover en route from home to Venice to home in New York. "We were all beginning to come forward."

She was referring to an era that lasted until well into the 1950s. The war kept many European singers from travel-ing or developing normally, while making refugees of some of the most distinguished and experienced conduclors, musical coaches and stage directors.

"All of us were prepared by the greatest conductors and stage directors," she recalled. "I was nurtured by people who taught me style. During the first three years - for \$86

to \$150 a week — I sang a dozen roles in every repertory." "Of course, I must have had a strong throat," she conceded. Her second joh after Lady Macbeth took her to Mexico City for Leonora in "Fidelio" and Micaela in "Carmen," conducted by another giant - Erich Kleiber.

After a season at the newly created New York City Opera, she woo a Metropolitan Opera contract in its Auditions of the Air. A few days before her official debut, Zinka Milanov called in sick, and Resnik was thrown in as Leonora in "Il Trovatore," on Dec. 6, 1944, followed by a few years of intense activity in the soprano repertory.

There had already been a few hints that maybe she was oot really a soprano. She had tried a Carmen on the road in 1945, and in 1952 at the Met sang the mezzo-soprano role of Princess Eboli in Verdi's "Don Carlo."

Then, in 1953, she joined an American contingent at the Wagner Festival in Bayreuth — among the others on hand that year were the bass-baritone George London, the tenor Ramon Vinay, the soprano Eleanor Steber - mainly to sing Sieglinde in "Die Walkthe," Clemens Krauss was conducting the "Ring" that year, "and Krauss told Wieland Wagner that I was miscast. He suspected I was really a mezzo-soprano." (In today's wildly open CD market, a complete recording of this 1953 "Ring" has more than held its own against heavy competition.)

Buffeted by Kranss's opinion on one side and the contrary advice of her original teacher, Rosalie Miller, Resnik went to Giuseppe Danise, a friend and a great baritone of the between-the-wars era, who listened and

told her, "Child, you never were a soprano," Io 1955, she opted out of her existing soprano contracts — oot endearing herself to Rudolf Bing, the Met's au-

"And what came out was the real voice, the wine at the bottom of the barrel," she says. She considers that her real career as a mezzo began at the Met as Marina in "Boris Godunov" under Dimitri Mitropoulos in 1956, but expanded horizons were called for, and in the following year she made her debut at

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, DECEMBER 12-13, 1992

50 Years on Stage, and No Looking Back

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London's Covent Garden with a memorable "Carmen" with Jon Vickers as José and Joan Sutherland as Micaela, and began a long association with the Vienna State Opera. Resnik is not one of those singers remembered as a great voice," although the voice was certainly there. As one denizen of the music scene said, she is one person who can be called "an intelligent singer" without the phrase being an oxymoron. Harold Rosenthal, writing in the

Grove Dictionary of Music and Musicians, refers to "acting full of subtle detail and her fine musicianship and keen

In 1971, Rolf Liebermann, then director of the Hamburg State Opera, engaged her to stage "Carmen." As designer she had Arbit Blatas, a Lithuanian-born painter and sculptor who had been doing portraits of her in her best-known roles. They became a production team (and a best-known roles. They became a production team (and a few years later married), specializing in the operas of her key roles — Verdi's "Falstaff" (Mistress Quickly), Strauss's "Elektra" (Klytennestra) and "Salome" (Hero-dias), Tchaikovsky's "Queen of Spades" (the Countess),

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### Maybe, Maybe: Beatles Singing in a TV Film?

You could call this song "You wanna hold your breath?" Maybe, but just maybe, the three surviving Beatles might be singing together again: Paul McCartney said that he, Ringo Starr and George Harrison would work together as part of a televisioo documentary and "there is a chance that we might do a little bit of music." It would be the first musical collaboration since the group broke up in 1970, The fourth Beatle, John Lennon was murdered in 1980.

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The Dallas Symphony Associatioo has signed a three-year con-tract with Andrew Litton, 33, of the Bournemouth Symphony in Britain, ending a two-year search to find a successor for conductor Eduardo Mata. 

He may be known for the song "No More Mr. Nice Guy," but the rocker Alice Cooper turned over a check for more than \$13,000 he raised to save a California man's psychedelic-painted house from bank foreclosure. "You can't help everybody who's in trouble, but maybe this'll spark something," he said. Patrick Kelly, an unemployed real-estate salesman, painted the house last month with the ghoulish rocker's likeness and other psych-delic images when he couldn't sell the \$258,000 property, and that did

Starting at the top: Richard Ave-don has become The New Yorker magazine's first staff photographer. Avedon, 69, will produce 50 hlack-and-white full-page photo-graphs for The New Yorker in the

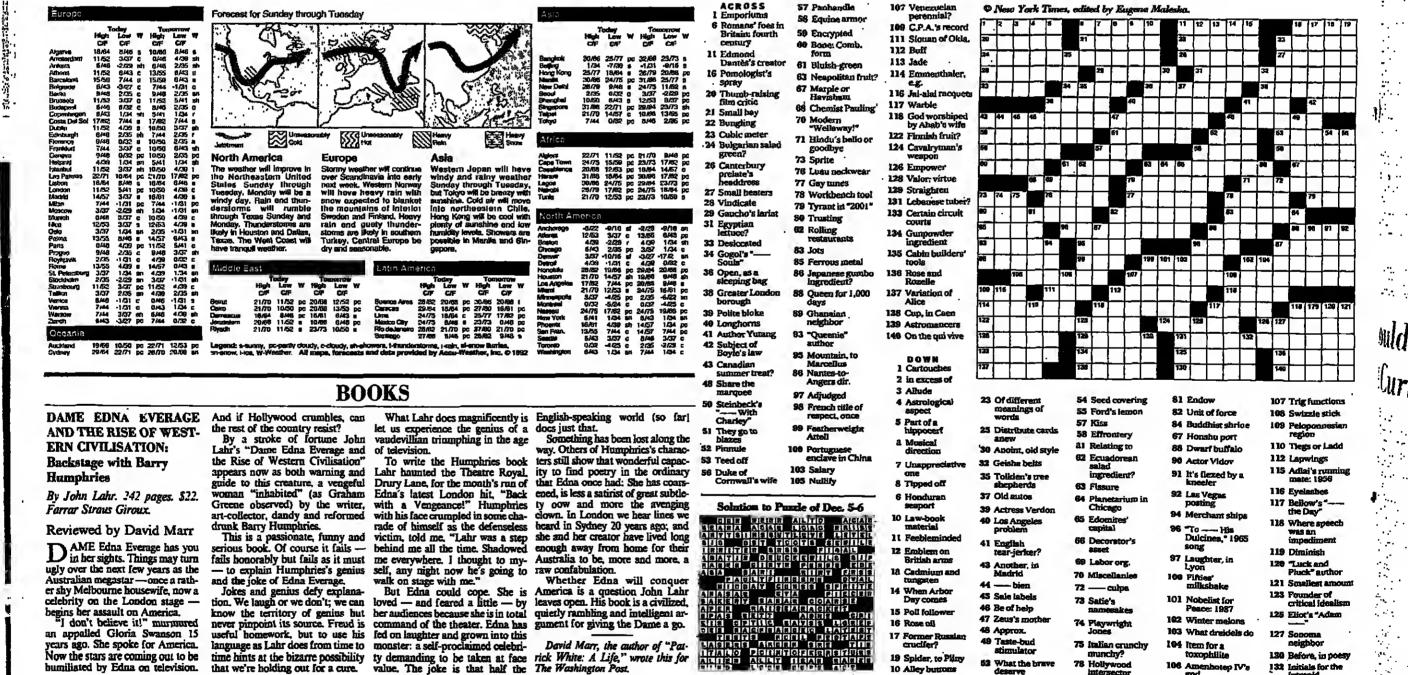
images together," she said.

LaToya Jackson was fired from her starring role in a show at the Sands Hotel in Las Vegas six nights after she joined the glittery produc-tion. She is suing for \$2.3 million.

INTERNATIONAL CLASSIFIED Appears on Pages 7 & 9

### World Market By Michael Priestley

P New York Times, edited by Eugene Malesk



in "A Little Night Music." thoritarian manager, in the process — and began to work with Danise on her voice and the mezzo repertory.

and a double bill of Menotti's "The Consul" and Waltoo's "The Bear." In the mid-70s, she began dropping roles she thought she ought oot to sing anymore "so no critic could say it was time to retire."

By 1983, she thought it was time to chuck the opera stage, but continued to give recitals. Then in 1987, she took on the role of the landlady, Mrs. Schneider, io a Broadway revival of "Cabaret," 600 performances at the rate of eight a week, winning a Tony nomination.

Although Lotte Lenya ("Cabaret") and Hermione Gin-gold ("Night Music") had done the roles in the original productions in a kind of Rex Harrisoo Sprechgesang, she sang them. Both the composers, John Kander and Sondheim, wanted that, she thinks.

"After all, they wrote the notes. Of course they wanted to hear them," she says.

Now she would not mind having a go at spoken theater. She thinks Wilde's Lady Bracknell would not be out of order, or Dürrenmatt's vengeful old lady of "The Visit," whom she has portrayed in its operatic version.

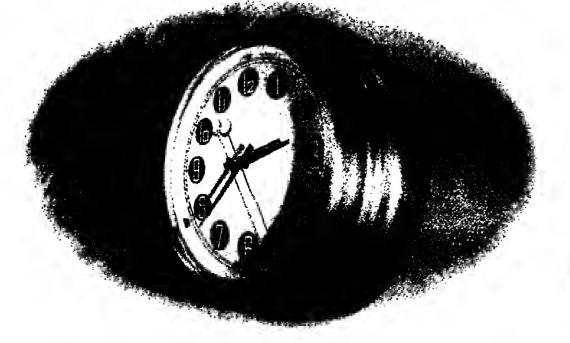
Meanwhile, there is teaching, notably in the Metropolitan's program for young artists and in her association with the Toti dal Monte competitioo in Treviso, Italy, for which the prize is being cast in a professional production.

She does worry that young singers today "think they are through if they have not made it by 25; I was taught that if the technique was good at 45, it would last to 65."

**Regina Resnik with George** London in Bayreuth in 1953, and

not help either. 

next year and will oot take assignments from other magazines, Tina Brown, the new editor, said. "He can do anything he wants - one great image an issue or a run of



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